BRAZILIAN DISTRIBUTION CO COMPANHIA BRASILEIRA DE DISTR CBD
Form 6-K
February 22, 2012

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 February, 2012

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 _X_ 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 _X_

(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 _X_

(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 _X_

Financial Statements
Companhia Brasileira de Distribuição
December 31,2011 and 2010

With Independent Auditors' Report on Financial Statements

Companhia Brasileira de Distribuição

Financial Statements

December 31, 2011 and 2010

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Companhia Brasileira de Distribuição

Balance Sheet

December 31, 2011, 2010 and 2009

(In thousands of reais)

		Parent Company			
ASSETS	**Notes**	**December 31, 2011**	**December 31, 2010**	**December 31, 2009**	**December 31, 2011**
Current					
Cash ans cahs equivalents	**7**	**2,328,783**	1,757,576	1,927,480	**4,969,955**
Marketable securities	**8**	**-**	-	-	**-**
Trade accounts receivable	**9**	**791,538**	880,370	920,817	**5,437,500**
Other accounts receivable	**10**	**40,131**	50,976	-	**279,621**
Inventories	**12**	**1,914,938**	1,573,254	1,521,613	**5,552,769**
Recoverable taxes	**13**	**413,721**	363,762	230,581	**907,702**
Other accounts receivable		**68,182**	61,948	95,365	**128,845**
Total Current assets		**5,557,293**	4,687,886	4,695,856	**17,276,392**

Noncurrent assets					
Receivables securitization fund	**11**	**124,276**	117,613	106,129	**-**
Marketable securities	**8**	**-**	-	-	**-**
Trade accounts receivable	**9**	**-**	-	-	**555,841**
Other accounts receivable	**10**	**46,736**	52,785	33,761	**107,013**
Recoverable taxes	**13**	**24,526**	119,802	134,213	**729,998**
Financial instruments	**20**	**-**	-	-	**304,339**
Income and social contribution taxes	**22**	**225,010**	340,191	347,628	**1,249,687**
Related parties	**14**	**1,143,031**	804,556	339,064	**133,415**
Escrow deposits		**386,487**	329,612	256,337	**737,688**
Other credits		**31,979**	36,540	14,860	**36,899**
Investments	**15**	**4,191,683**	3,984,178	2,466,160	**253,250**
Property and equipment	**17**	**5,074,613**	4,801,998	4,297,290	**7,358,250**
Intangible assets	**18**	**949,890**	679,655	924,350	**5,026,233**
Total Noncurrent assets		**12,198,231**	11,266,930	8,919,792	**16,492,613**
Total do ativo		**17,755,524**	15,954,816	13,615,648	**33,769,005**

Companhia Brasileira de Distribuição

Balance Sheet

December 31, 2011, 2010 and 2009

(In thousands of reais)

		Parent Company			
Liabilities	**Notes**	**December 31, 2011**	**December 31, 2010**	**December 31, 2009**	**Decemb**
Current					
Trade payable		**2,526,912**	2,219,699	2,327,444	
Loans and borrowings	**19**	**210,834**	707,355	281,973	
Debentures	**19**	**501,844**	520,675	19,386	
Payroll and labor liabilities		**297,300**	258,235	225,550	
Income and social contribution taxes payable	**21**	**69,102**	143,886	154,089	
Tax installment payment	**21**	**163,214**	51,480	52,640	
Related parties	**14**	**188,272**	513,820	20,188	
Dividends	**26**	**103,387**	114,654	94,491	
Business combinations and acquisition of non-controlling interest	**16**	**-**	-	-	
Financing by purchase of assets		**14,211**	14,211	14,211	
Rent		**24,929**	22,887	21,523	
Prepaid	**25**	**-**	-	-	

revenue				
Other accounts payable		**149,153**	175,284	179,558
Total Current liabilities		**4,249,158**	4,742,186	3,391,053
Noncurrent liabilities				
Loans and borrowings	**19**	**2,292,024**	1,456,488	769,010
Debentures	**19**	**2,137,518**	1,067,472	1,481,356
Income and social contribution taxes	**22**	**-**	-	-
Tax installment payment	**21**	**1,202,667**	1,269,246	1,140,644
Provision for contingencies	**23**	**236,922**	387,153	154,618
Business combinations and acquisition of non-controlling interest	**16**	**-**	-	-
Prepaid revenue	**25**	**-**	3,571	-
Other accounts payable		**11,962**	5,378	54,747
Total Noncurrent liabilities		**5,881,093**	4,189,308	3,600,375
Shareholders´ equity				
Shareholders´ equity	**26**	**6,129,405**	5,579,259	5,374,751
Capital reserve	**26**	**384,342**	463,148	647,232
Revenue reserve	**26**	**1,111,526**	980,915	602,237
		-	-	-
		-	-	-
		7,625,273	7,023,322	6,624,220
Non-controlling interest				
Total liabilities and shareholders´ equity		**17,755,524**	15,954,816	13,615,648

(In thousands of reais) 7

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Companhia Brasileira de Distribuição

Statement of Income

December 31, 2011, 2010 and 2009

(In thousands of reais)

	Parent Company			
	December 31, 2011	December 31, 2010	December 31, 2009	December 31,
Gross sales from goods and/or services	**17,744,191**	16,965,104	15,480,665	**46,59**
Cost of goods sold and/or services sold	**(13,158,402)**	(12,812,184)	(11,687,701)	**(33,93**
Gross profit	**4,585,789**	4,152,920	3,792,964	**12,66**
Operating income (expenses)				
Selling expenses (Note 27)	**(2,543,293)**	(2,375,049)	(2,149,615)	**(7,93**
General and admnistrative (Note 27)	**(596,361)**	(534,439)	(474,950)	**(1,68**
Depreciation and amortization	**(310,398)**	(273,635)	(332,981)	**(68**
Net finance expenses (Note 24)	**(472,935)**	(310,415)	(135,496)	**(1,33**
	374,685	146,436	22,737	**3**

Equity pickup (Note 15)				
Net Other income (expenses) (Note 28)	**(234,188)**	(149,665)	(8,888)	**(258**
	(3,782,490)	(3,496,767)	(3,079,193)	**(11,850**
Earnings before income taxes	**803,299**	656,153	713,771	**80**
Income and social contribution taxes (Note 22)	**(85,080)**	(37,655)	(104,340)	**(84**
Net income from continued operations	**718,219**	618,498	609,431	**71**
Attributed:				
Partners of Parent Company (Note 30)	**718,219**	618,498	609,431	**71**
Non-controlling shareholders	**-**	-	-	

(In thousands of reais)

Companhia Brasileira de Distribuição

Statement of Changes in Shareholders' Equity - Parent Company and Consolidated

December 31, 2011

(In thousands of reais)

		Capital reserve				Profit res	
Description	**Capital**	**Goodwil special**	**Outros instrumentos de patrimônio**	**Others reserve**	**Options granted**	**Legal**	**Expansion**
December 31, 2010	**5,579,259**	**344,605**	**-**	**7,398**	**111,145**	**212,339**	**701,923**
Capital increases:							
Capitalization of reserves	**527,175**	**(105,675)**	**-**	**-**	**-**	**-**	**(379,350)**
Subscribed capital	**22,971**	-	**-**	**-**	**-**	**-**	**-**
Recognized granted options	**-**	-	**-**	**-**	**26,869**	**-**	**-**
Participation of non-controlling shareholders	**-**	-	**-**	**-**	**-**	**-**	**-**
Net income for the year	**-**	-	**-**	**-**	**-**	**-**	**-**
Appropriation of net income to legal reserve	**-**	-	**-**	**-**	**-**	**35,910**	**-**
	-	-	**-**	**-**	**-**	**-**	**-**

Proposed dividends (advance)							
Gain/loss in equity interest	**-**	-	**-**	**-**	**-**	**-**	**-**
Expansion Reserve	**-**	-	**-**	**-**	**-**	**-**	**460,557**
Reserve for retained earnings	**-**	-	**-**	**-**	**-**	**-**	**-**
December 31, 2011	**6,129,405**	**238,930**	**-**	**7,398**	**138,014**	**248,249**	**783,130**

Companhia Brasileira de Distribuição

Statement of Changes in Shareholders' Equity - Parent Company and Consolidated

December 31, 2010

(In thousands of reais)

		Capital reserve					Profi
Description	**Capital**	**Goodwil special**	**Outros instrumentos de patrimônio**	**Others reserve**	**Options granted**	**Legal**	**Expansi**
December 31, 2009	**5,374,751**	**428,513**	**-**	**135,494**	**83,225**	**176,217**	**379,3**
Capital increases:							
Capitalization of reserves	169,388	(83,908)	-	-	-	-	
Subscribed capital	35,120	-	-	-	-	-	
Treasury shares	-	-	-	-	-	-	
Put Sendas							
Custo recompra de acções							
Capital integralizado - Globex							
Opções de ações exercidas							
Recognized granted options	-	-	-	-	27,920	-	
Net income for the year	-	-	-	-	-	-	

Profit retention reserve	-	-	-	-	-	36,122	
Dividends	-	-	-	-	-	-	
Retention for expansion reserve	-	-	-	-	-	-	322,5
Acquisition of minority interest	-	-	-	(128,096)	-	-	
Gain (loss) equity Interest	-	-	-	-	-	-	
Reserve for retained earnings	-	-	-	-	-	-	
December 31, 2010	**5,579,259**	**344,605**	**-**	**7,398**	**111,145**	**212,339**	**701,9**

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(In thousands of reais) 14

Companhia Brasileira de Distribuição

Statement of Cash Flows

December 31, 2011 and 2010

(In thousands of reais)

	Parent Company	
	December 31, 2011	**December 31,**
Cash flow provided by operating activities	450,353	1
Cash generated in the operations	1,257,607	1,0
Cash flows from operating activities		
Net income for the year	718,219	6
Adjust by		
Deferred income tax	85,080	
Depreciation and amortization	310,398	2
Equity pickup	(374,685)	(14
Adjustment to present value	(952)	
Finance charge	488,657	2
Provision for contingencies	(10,738)	2
Provision for share-based payment	26,869	
Gains due to profitable purchase	0	(35
Results disposal of fixed assets	14,255	
Allowance for doubtful debts	0	
Other	504	
	1,257,607	**1,07**
Assets and liabilities variations		
Accounts receivable	(143,428)	
Marketable securities	0	
Invetories	(341,684)	(13

Recoverable taxes	75,526	(12
Other assets	(1,673)	(81
Related parties	(464,916)	4
Escrow deposits	(54,052)	(6
Trade payable	307,213	(10
Payroll and labor liabilities	39,066	
Other liabilities	(223,306)	(26
	(807,254)	**(968**
Net cash provided by operating activities	**450,353**	**10**
Cash flows from investing activities		
Restricted cash	0	
Companies acquisition	0	(2
Capital increase	(112)	(29
Acquisition of fixed assets	(726,557)	(83
Increase intangible assets	(155,114)	(7
Sale of fixed assets	24,482	1
Net cash used in investing activities	**(857,301)**	**(1,098**
Cash flows from financing activities		
Capital increase	22,971	
Net cash increase from acquition	0	
Funding and Refinancing	2,390,981	1,1
Payments	(982,152)	(8
Interest paid	(271,801)	(9
Payment of dividends	(181,844)	(15
Net cash provided by financing activities	**978,155**	**82**
Net increase (decrease) in cash and cash equivalents	**571,207**	**(169**
Cash and cash equivalents at end of year	2,328,783	1,7
Cash and cash equivalents at beginning of year	1,757,576	1,9
Net increase (decrease) in cash and cash equivalents	**571,207**	**(169**

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Companhia Brasileira de Distribuição

Statement of Value Added

December 31, 2011 and 2010

(In thousands of reais)

	Parent Company		
	December 31, 2011		December 31, 2010
Revenue			
Sales of goods, products and services	18,011,798		17,213,787
Allowance for (reversal) of doubtful accounts	(7,151)		(7,148)
Other revenues (expenses) operatng	(54,906)		(37,977)
	17,949,741		17,168,662
Input acquired from third parties			
Costs of products, goods and services sold	(12,775,788)		(12,394,290)
Materials, energy, outsourced services and other	(1,440,543)		(1,350,262)
	(14,216,331)		(13,744,552)
Gross added value	3,733,410		3,424,110
Retention			
Depreciation and amortization	(310,398)		(273,635)
Net added value produced	3,423,012		3,150,475
Added value received in transfers			
Equity pickup	374,685		146,436
Financial income	318,540		257,880
	693,225		404,316
Total added value to distribute	4,116,237	100%	3,554,791

Personnel	1,535,782	37.3%	1,367,584	3
Direct compensation	1,053,815	25.6%	930,834	2
Other	34,884	0.8%	26,792	
Benefits	365,527	8.9%	336,955	
Government severance indemnity fund for employees	81,556	2.0%	73,003	
Taxes, fees and contributions	735,047	17.9%	687,238	1
Federal	457,459	11.1%	371,520	1
State	187,567	4.6%	236,306	
Municipal	90,021	2.2%	79,412	
Value distributed to providers of capital	1,127,189	27.4%	881,471	2
Interest	791,474	19.2%	568,295	1
Rentals	335,715	8.2%	313,176	
Dividends	170,577	4.1%	171,575	
Retained earnings/accumulated losses for the year	547,642	13.3%	446,923	1
Non-controlling interest in retained earnings	-		-	
Total added value to distribute	4,116,237		3,554,791	

(In thousands of reais)

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

FS — Financial Statements – 12/31/2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

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

FS — Financial Statements – 12/31/2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Company Information / Capital Breakdown

Number of Shares	**Current Quarter**
(thousand)	**12/31/2011**
Paid in Capital	
Common	99,680
Preferred	160,559
Total	260,239
Treasury Shares	
Common	0
Preferred	233
Total	233

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

SFS — Standard Financial Statements – 12/31/2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Company Information / Cash Dividends

Event	Approval	Type	Date of Payment	Type of Share	Class of Share	Amount per share(Reais/ share)
Board of Directors Meeting	5/12/2011	Dividend	5/27/2011	Common		0.08181
Board of Directors Meeting	5/12/2011	Dividend	5/27/2011	Preferred	Preferred Share	0.09000
Board of Directors Meeting	7/25/2011	Dividend	8/10/2011	Common		0.08181
Board of Directors Meeting	7/25/2011	Dividend	8/10/2011	Preferred	Preferred Share	0.09000
Board of Directors Meeting	11/03/2011	Dividend	11/28/2011	Common		0.08181
Board of Directors Meeting	11/03/2011	Dividend	11/28/2011	Preferred	Preferred Share	0.09000

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

SFS — Standard Financial Statements – 12/31/2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Individual Financial Statements/Balance Sheet - Assets

R$ (in thousands)

Code	**Description**	**Last fiscal year**	**One before last**	**Two before last**
		12/31/2011	**12/31/2010**	**12/31/2009**
1	Total Assets	17,755,524	15,954,816	13,615,648
1.01	Current Assets	5,557,293	4,687,886	4,695,856
1.01.01	Cash and Cash Equivalents	2,328,783	1,757,576	1,927,480
1.01.03	Accounts Receivable	831,669	931,346	920,817
1.01.03.01	Trade Accounts Receivables	791,538	880,370	920,817
1.01.03.02	Other Accounts Receivable	40,131	50,976	-
1.01.04	Inventories	1,914,938	1,573,254	1,521,613
1.01.06	Recoverable Taxes	413,721	363,762	230,581
1.01.06.01	Current Recoverable Taxes	413,721	363,762	230,581
1.01.07	Prepaid Expenses	50,404	58,789	95,365
1.01.08	Other Current Assets	17,778	3,159	-
1.01.08.03	Other	17,778	3,159	-
1.02	Noncurrent Assets	12,198,231	11,266,930	8,919,792
1.02.01	Long-Term Assets	1,982,045	1,801,099	1,231,992
1.02.01.03	Accounts Receivable	46,736	52,785	33,761
1.02.01.03.02	Other Accounts Receivable	46,736	52,785	33,761
1.02.01.06	Deferred Taxes	225,010	340,191	347,628
1.02.01.06.01	Deferred Income and Social Contribution Taxes	225,010	340,191	347,628
1.02.01.07	Prepaid Expenses	31,979	36,540	14,860
1.02.01.08	Receivables from Related Parties	1,143,031	804,556	339,064
1.02.01.08.02	Receivables from Subsidiaries	1,074,175	776,117	311,165
1.02.01.08.03	Receivables from Controlling Shareholders	1,171	-	-
1.02.01.08.04	Receivables from Other Related Parties	67,685	28,439	27,899
1.02.01.09	Other Noncurrent Assets	535,289	567,027	496,679
1.02.01.09.03	Receivables from Securitization Fund	124,276	117,613	106,129
1.02.01.09.04	Recoverable Taxes	24,526	119,802	134,213
1.02.01.09.05	Escrow Deposits	386,487	329,612	256,337
1.02.02	Investments	4,191,683	3,984,178	2,466,160

1.02.02.01	Shareholding Interest	4,191,683	3,984,178	2,466,160
1.02.02.01.01	Interest in Associated Companies	-	-	-
1.02.02.01.02	Interest in Subsidiaries	4,191,683	3,984,173	2,466,160
1.02.02.01.04	Other Equity Interest	-	5	-
1.02.03	Property and Equipment	5,074,613	4,801,998	4,297,290
1.02.03.01	In operation	4,747,315	4,249,971	3,938,436
1.02.03.02	Leased	64,077	26,639	-
1.02.03.03	In Progress	263,221	525,388	358,854
1.02.04	Intangible Assets	949,890	679,655	924,350
1.02.04.01	Intangible Assets	949,890	679,655	924,350
1.02.04.01.02	Intangible Assets	949,890	679,655	924,350

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

SFS — Standard Financial Statements – 12/31/2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Individual Financial Statements/Balance Sheet – Liabilities

R$ (in thousands)

Code	**Description**	**Last fiscal year**	**One before last**	**Two before last**
		12/31/2011	**12/31/2010**	**12/31/2009**
2	Total Liabilities	17,755,524	15,954,816	13,615,648
2.01	Current Liabilities	4,249,158	4,742,186	3,391,053
2.01.01	Payroll and Labor Liabilities	297,300	258,235	225,550
2.01.01.01	Payroll Liabilities	43,360	36,250	225,550
2.01.01.02	Labor Liabilities	253,940	221,985	-
2.01.02	Trade Payable	2,526,912	2,219,699	2,327,444
2.01.02.01	Local Trade Payable	2,498,452	2,170,234	2,327,444
2.01.02.02	Foreign Trade Payable	28,460	49,465	-
2.01.03	Payable Taxes and Contributions	69,102	143,886	154,089
2.01.03.01	Federal Tax Liabilities	69,102	143,886	153,408
2.01.03.01.02	Other (PIS, COFINS, IOF, INSS, Funrural)	69,102	143,886	153,408
2.01.03.03	Municipal Tax Liabilities	-	-	681
2.01.04	Loans and Borrowings	712,678	1,228,030	301,359
2.01.04.01	Loans and Borrowings	155,034	686,566	261,701
2.01.04.01.01	In Local Currency	139,983	284,568	266,477
2.01.04.01.02	In Foreign Currency	15,051	401,998	(4,776)
2.01.04.02	Debentures	501,844	520,675	19,386
2.01.04.03	Financing by Leasing	55,800	20,789	20,272
2.01.05	Other Liabilities	466,995	834,484	329,971
2.01.05.01	Related Parties	188,272	513,820	20,188
2.01.05.01.01	Debts with Associated Companies	7,900	5,320	-
2.01.05.01.02	Debts with Subsidiaries	161,772	491,076	20,188
2.01.05.01.03	Debts with Controlling Shareholders	15,256	-	-
2.01.05.01.04	Debts with Other Related Parties	3,344	17,424	-
2.01.05.02	Other	278,723	320,664	309,783
2.01.05.02.01	Dividends and Interest on Equity Payable	103,387	114,654	94,491
2.01.05.02.04	Public Utilities	2,968	3,450	3,007

2.01.05.02.05	Rent	24,929	22,887	21,523
2.01.05.02.06	Advertising	29,253	31,396	31,760
2.01.05.02.07	Path through to Third Parties	6,784	7,622	-
2.01.05.02.08	Financing by Purchase of Assets	14,211	14,211	14,211
2.01.05.02.09	Other Accounts Payable	97,191	126,444	134,491
2.01.05.02.11	Insurance	-	-	10,300
2.01.06	Provisions	176,171	57,852	52,640
2.01.06.02	Other Provisions	176,171	57,852	52,640
2.01.06.02.02	Provisions for Restructuring	12,957	6,372	-
2.01.06.02.05	Taxes Payable by Installments	163,214	51,480	52,640
2.02	Noncurrent Liabilities	5,881,093	4,189,308	3,600,375
2.02.01	Loans and Borrowings	4,429,542	2,523,960	2,250,366
2.02.01.01	Loans and Borrowings	2,139,680	1,390,359	718,654
2.02.01.01.01	In Local Currency	1,449,917	1,059,583	338,337
2.02.01.01.02	In Foreign Currency	689,763	330,776	380,317
2.02.01.02	Debentures	2,137,518	1,067,472	1,481,356
2.02.01.03	Financing by Leasing	152,344	66,129	50,356
2.02.02	Other Liabilities	1,214,629	1,274,624	1,176,967
2.02.02.02	Other	1,214,629	1,274,624	1,176,967
2.02.02.02.03	Taxes Payable by Installments	1,202,667	1,269,246	1,140,644
2.02.02.02.04	Other Accounts Payable	11,962	5,378	36,323

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

SFS — Standard Financial Statements – 12/31/2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Individual Financial Statements/Balance Sheet – Liabilities

R$ (in thousands)

Code	Description	Last fiscal year 12/31/2011	One before last 12/31/2010	Two before last 12/31/2009
2.02.04	Provision for Contingencies	236,922	387,153	173,042
2.02.04.01	Tax, Social Security, Labor and Civil Provisions	236,922	387,153	154,618
2.02.04.01.01	Tax Provisions	90,426	249,163	34,842
2.02.04.01.02	Social security and labor Provisions	75,543	55,682	43,616
2.02.04.01.03	Benefits to Employees Provisions	36,072	39,765	30,363
2.02.04.01.04	Civil Provisions	34,881	42,543	45,797
2.02.04.02	Other Provisions	-	-	18,424
2.02.04.02.04	Other	-	-	18,424
2.02.06	Backlog Profit and Revenues	-	3,571	-
2.02.06.02	Backlog Revenues	-	3,571	-
2.03	Shareholders' Equity	7,625,273	7,023,322	6,624,220
2.03.01	Paid-in Capital Stock	6,129,405	5,579,259	5,374,751
2.03.02	Capital Reserves	384,342	463,148	647,232
2.03.02.02	Special Goodwill Reserve in Merger	238,930	344,605	428,553
2.03.02.04	Granted Options	138,014	111,145	83,223
2.03.02.07	Capital Reserve	7,398	7,398	135,456
2.03.04	Profit Reserves	1,111,526	980,915	602,237
2.03.04.01	Legal Reserve	248,249	212,339	176,217
2.03.04.05	Retention of Profits Reserve	80,147	66,654	426,020
2.03.04.10	Expansion Reserve	783,130	701,922	-

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

SFS — Standard Financial Statements – 12/31/2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Individual Financial Statements/Statement of Income

R$ (in thousands)

Code	**Description**	**Last fiscal year 1/1/2011 to 12/31/2011**	**One before last 1/1/2010 to 12/31/2010**	**Two before last 1/1/2009 to 12/31/2009**
3.01	Gross Revenue from Goods and/or Services	17,744,191	16,965,104	15,480,665
3.02	Cost of Goods Sold and/or Services Sold	(13,158,402)	(12,812,184)	(11,687,701)
3.03	Gross Profit	4,585,789	4,152,920	3,792,964
3.04	Operating Income/Expenses	(3,309,555)	(3,186,352)	(2,943,697)
3.04.01	Selling Expenses	(2,543,293)	(2,375,049)	(2,149,615)
3.04.02	General and Administrative	(596,361)	(534,439)	(474,950)
3.04.04	Other Operating Income	(233,678)	(68,541)	(8,888)
3.04.04.01	Income with Permanent Assets	(14,255)	(18,049)	866
3.04.04.02	Other Operating Income/Expenses	(219,423)	(50,492)	(9,754)
3.04.05	Other Operating Expenses	(310,908)	(354,759)	(332,981)
3.04.05.01	Depreciation/Amortization	(310,398)	(273,635)	(332,981)
3.04.05.02	Other Operating Expenses	(510)	(81,124)	-
3.04.06	Equity Pickup	374,685	146,436	22,737
3.05	Income before Financial Income and Taxes	1,276,234	966,568	849,267
3.06	Financial Result	(472,935)	(310,415)	(135,496)
3.06.01	Financial Income	318,540	257,880	229,054
3.06.02	Financial Expenses	(791,475)	(568,295)	(364,550)
3.07	Earnings before income taxes	803,299	656,153	713,771
3.08	Income and Social Contribution Taxes on Income	(85,080)	(37,655)	(104,340)
3.08.01	Current	-	(2,667)	(44,319)
3.08.02	Deferred	(85,080)	(34,988)	(60,021)
3.09	Net Income from Continued Operations	718,219	618,498	609,431

3.11	Income/Loss for the Year	718,219	618,498	609,431
3.99	Earnings per Share - (Reais/Share)			
3.99.01	Earnings Basic per Share			
3.99.01.01	ON	2.61000	2.27000	2.34000
3.99.01.02	PN	2.87000	2.50000	2.59000

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

SFS — Standard Financial Statements – 12/31/2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Individual Financial Statements/Statement of Cash Flows – Indirect Method

R$ (in thousands)

Code	Description	Last fiscal year	One before last	Two before last
		1/1/2011 to 12/31/2011	**1/1/2010 to 12/31/2010**	**1/1/2009 to 12/31/2009**
6.01	Cash Flow provided by Operating Activities	450,353	104,063	1,384,459
6.01.01	Cash Generated in the Operations	1,257,607	1,072,659	1,197,585
6.01.01.01	Net Income for the Year	718,219	618,498	609,431
6.01.01.02	Deferred Income Tax	85,080	34,988	60,021
6.01.01.03	Depreciation/Amortization	310,398	273,635	332,981
6.01.01.04	Equity Pickup	(374,685)	(146,436)	(22,737)
6.01.01.05	Adjustment to Present Value	(952)	3,928	-
6.01.01.06	Finance charge	488,657	267,045	166,095
6.01.01.07	Provision for Contingencies	(10,738)	243,665	44,433
6.01.01.08	Provision for Share-Based Payment	26,869	27,920	19,621
6.01.01.09	Allowance for Doubtful Debts	-	2,951	790
6.01.01.10	Gains due to profitable purchase	-	(351,718)	-
6.01.01.11	Results Disposal of Fixed Assets	14,255	27,962	6,770
6.01.01.12	Other	504	70,221	(19,820)
6.01.02	Changes in Assets and Liabilities	(807,254)	(968,596)	186,874
6.01.02.01	Accounts Receivable	(143,428)	9,498	(96,594)
6.01.02.02	Recoverable Taxes	75,526	(122,698)	60,245
6.01.02.03	Inventories	(341,684)	(139,387)	(376,083)
6.01.02.04	Restricted deposit for legal proceedings	(54,052)	(61,100)	(37,936)
6.01.02.05	Other Assets	(1,673)	(818,131)	(692)
6.01.02.06	Trade payables	307,213	(105,346)	493,158
6.01.02.07	Payroll Charges	39,066	37,686	48,833
6.01.02.08	Related Parties	(464,916)	493,630	7,909
6.01.02.09	Other Accounts Payable	(223,306)	(262,748)	88,034
6.02	Cash flow used in Investmenting Activities	(857,301)	(1,098,017)	(1,481,869)

6.02.02	Companies Acquisition	-	(28,544)	(939,496)
6.02.03	Acquisition of Fixed Assets	(726,557)	(835,456)	(492,533)
6.02.04	Increase Intangible Assets	(155,114)	(72,177)	(52,690)
6.02.05	Capital Investment in Subsidiary	(112)	(290,429)	-
6.02.06	Sale of Permanent Asses	24,482	128,589	2,850
6.03	Net Cash provided by (used in) from Financing Activities	978,155	824,050	773,259
6.03.01	Additions	2,390,981	1,114,836	861,700
6.03.02	Amortization	(982,152)	(84,382)	(269,252)
6.03.03	Interest Paid	(271,801)	(90,112)	(198,472)
6.03.04	Capital Increase/Decrease	22,971	35,120	487,143
6.03.05	Payment of Dividends	(181,844)	(151,412)	(107,860)
6.05	Net Increase (Decrease) in Cash and Cash Equivalents	571,207	(169,904)	675,849
6.05.01	Cash and Cash Equivalents at Beginning of Year	1,757,576	1,927,480	1,251,631
6.05.02	Cash and Cash Equivalents at end of Year	2,328,783	1,757,576	1,927,480

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

SFS — Standard Financial Statements – 12/31/2011 –
COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Individual Financial Statements / Statement of Changes in Shareholders' Equity – 1/1/2011 to 12/31/2011

R$ (in thousands)

Code	Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Accumulated Profit/Losses	Other Comprehensive Income	Shareholders' Equity
5.01	Opening Balance	5,579,259	463,148	980,915	-	-	7,023,322
5.03	Adjusted Opening Balance	5,579,259	463,148	980,915	-	-	7,023,322
5.04	Capital Transactions with Partners	550,146	(78,806)	(421,500)	(170,577)	-	(120,737)
5.04.01	Capital Increases	22,971	-	-	-	-	22,971
5.04.03	Recognized Granted Options	-	26,869	-	-	-	26,869
5.04.06	Dividends	-	-	-	(170,577)	-	(170,577)
5.04.08	Reserve Capitalization	527,175	(105,675)	(421,500)	-	-	-
5.05	Total Comprehensive Income	-	-	-	718,219	-	718,219
5.05.01	Net Income for the year	-	-	-	718,219	-	718,219
5.06	Internal Changes of Shareholders' Equity	-	-	552,111	(547,642)	-	4,469
5.06.01	Constitution of Reserve	-	-	511,731	(511,731)	-	-
5.06.04		-	-	35,911	(35,911)	-	-

	Appropriation of Net Income to Legal Reserve						
5.06.05	Gain/loss in equity interest	-	-	4,469	-	-	4,469
5.07	Closing Balance	6,129,405	384,342	1,111,526	-	-	7,625,273

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

SFS — Standard Financial Statements – 12/31/2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Individual Financial Statements/Statement of Changes in Shareholders' Equity – 1/1/2010 to 12/31/2010

R$ (in thousands)

Code	Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Accumulated Profit/Losses	Other Comprehensive Income	Shareholders' Equity
5.01	Opening Balance	5,374,751	647,232	602,237	-	-	6,624,220
5.03	Adjusted Opening Balance	5,374,751	647,232	602,237	-	-	6,624,220
5.04	Capital Transactions with Partners	204,508	(55,988)	(81,440)	(171,575)	-	(104,495)
5.04.03	Recognized Granted Options	-	27,920	-	-	-	27,920
5.04.05	Treasury Shares acquired	-	-	4,040	-	-	4,040
5.04.06	Dividends	-	-	-	(171,575)		(171,575)
5.04.08	Reserve Capitalization	169,388	(83,908)	(85,480)	-	-	-
5.04.09	Capital Stock Subscribed	35,120	-	-	-	-	35,120
5.05	Total Comprehensive Income	-	-	-	618,498	-	618,498
5.05.01	Net Income for the year	-	-	-	618,498	-	618,498
5.06	Internal Changes of Shareholders' Equity	-	(128,096)	460,118	(446,923)	-	(114,901)

5.06.01	Constitution of Reserve	-	-	410,801	(410,801)	-	-
5.06.05	Acquisition of Minority Interest	-	(128,096)	(229,860)	-	-	(357,956)
5.06.06	Gain/loss in Equity Interest	-	-	243,055	-	-	243,055
5.06.07	Appropriation of Net Income to Legal Reserve	-	-	36,122	(36,122)	-	-
5.07	Closing Balance	5,579,259	463,148	980,915	-	-	7,023,322

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

SFS — Standard Financial Statements – 12/31/2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Individual Financial Statements/Statement of Changes in Shareholders' Equity – 1/1/2009 to 12/31/2009

R$ (in thousands)

Code	Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Accumulated Profit/Losses	Other Comprehensive Income	Shareholders' Equity
5.01	Opening Balance	4,450,725	709,031	294,465	-	-	5,454,221
5.03	Adjusted Opening Balance	4,450,725	709,031	294,465	-	-	5,454,221
5.04	Capital Transactions with Partners	924,026	(61,799)	(161,159)	(140,500)	-	560,568
5.04.03	Recognized Granted Options	-	19,621	-	-	-	19,621
5.04.05	Treasury Shares acquired	-	-	(10,908)	-	-	(10,908)
5.04.06	Dividends	-	-	-	(140,500)		(140.500)
5.04.08	Reserve Capitalization	239,031	(88,780)	(150,251)	-	-	-
5.04.09	Capital Stock Subscribed	664,362	-	-	-	-	664,362
5.04.10	Stock Options Exercised	20,633	-	-	-	-	20,633
5.04.11	Paid-in Capital - Globex	-	7,360	-	-	-	7,360
5.05	Total Comprehensive Income	-	-	-	609,431	-	609,431
5.05.01		-	-	-	609,431	-	609,431

	Net Income for the year						
5.06	Internal Changes of Shareholders' Equity	-	-	468,931	(468,931)	-	-
5.06.04	Transfer to Expansion Reserve	-	-	379,350	(379,350)	-	-
5.06.05	Appropriation of Net Income to Legal Reserve	-	-	29,579	(29,579)	-	-
5.06.06	Profit Retention Reserve	-	-	60,002	(60,002)	-	-
5.07	Closing Balance	5,374,751	647,232	602,237	-	-	6,624,220

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

SFS — Standard Financial Statements – 12/31/2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Individual Financial Statements/Statement of Value Added

R$ (in thousands)

Code	**Description**	**Last fiscal year**	**One before last**	**Two before last**
		1/1/2011 to 12/31/2011	**1/1/2010 to 12/31/2010**	**1/1/2009 to 12/31/2009**
7.01	Revenues	17,949,741	17,168,662	16,022,025
7.01.01	Sales of Goods, Products and Services	18,011,798	17,213,787	15,963,689
7.01.02	Other Revenues	(54,906)	(37,977)	71,594
7.01.02.01	Other Revenues/Expenses Operating	(54,906)	(37,977)	71,594
7.01.04	Allowance for/Reversal of Doubtful Accounts	(7,151)	(7,148)	(13,258)
7.02	Raw materials Acquired from Third Parties	(14,216,331)	(13,744,552)	(12,747,994)
7.02.01	Costs of Products, Goods and Services Sold	(12,775,788)	(12,394,290)	(11,551,577)
7.02.02	Materials, Energy, Outsourced Services and Other	(1,440,543)	(1,350,262)	(1,196,417)
7.03	Gross Added Value	3,733,410	3,424,110	3,274,031
7.04	Retention	(310,398)	(273,635)	(332,981)
7.04.01	Depreciation and Amortization	(310,398)	(273,635)	(332,981)
7.05	Net Added Value Produced	3,423,012	3,150,475	2,941,050
7.06	Added Value Received in Transfers	693,225	404,316	251,791
7.06.01	Equity Pickup	374,685	146,436	22,737
7.06.02	Financial Income	318,540	257,880	229,054
7.07	Total Added Value to Distribute	4,116,237	3,554,791	3,192,841
7.08	Distribution of Added Value	4,116,237	3,554,791	3,192,841
7.08.01	Personnel	1,535,782	1,367,584	1,203,622
7.08.01.01	Direct Compensation	1,053,815	930,834	833,538
7.08.01.02	Benefits	365,527	336,955	286,623
7.08.01.03		81,556	73,003	56,863

	Government Severance Indemnity Fund for Employees (FGTS)			
7.08.01.04	Other	34,884	26,792	26,598
7.08.01.04.01	Equity	34,884	26,792	26,598
7.08.02	Taxes, Fees and Contributions	735,047	687,238	710,698
7.08.02.01	Federal	457,459	371,520	370,420
7.08.02.02	State	187,567	236,306	274,897
7.08.02.03	Municipal	90,021	79,412	65,381
7.08.03	Value Distributed to Providers of Capital	1,127,189	881,471	669,090
7.08.03.01	Interest	791,474	568,295	377,791
7.08.03.02	Rentals	335,715	313,176	291,299
7.08.04	Value Distributed to Shareholders	718,219	618,498	609,431
7.08.04.02	Dividends	170,577	171,575	140,500
7.08.04.03	Retained Earnings/Accumulated Losses for the year	547,642	446,923	468,931

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

SFS — Standard Financial Statements – 12/31/2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Consolidated Financial Statements/Balance Sheet - Assets

R$ (in thousands)

Code	**Description**	**Last fiscal year 12/31/2011**	**One before last 12/31/2010**	**Two before last 12/31/2009**
1	Total Assets	33,769,005	29,772,263	18,657,033
1.01	Current Assets	17,276,392	14,673,067	8,399,748
1.01.01	Cash and Cash Equivalents	4,969,955	3,817,994	2,341,927
1.01.02	Marketable Securities	-	600,613	-
1.01.02.01	Marketable Securities Evaluated at Fair Value	-	600,613	-
1.01.02.01.01	Securities for Trading	-	600,613	-
1.01.03	Accounts Receivable	5,717,121	4,317,214	2,475,373
1.01.03.01	Trade Accounts Receivable	5,437,500	4,047,234	2,475,373
1.01.03.02	Other Accounts Receivable	279,621	269,980	-
1.01.04	Inventories	5,552,769	4,823,768	2,827,463
1.01.06	Recoverable Taxes	907,702	888,355	416,550
1.01.06.01	Current Recoverable Taxes	907,702	888,355	416,550
1.01.07	Prepaid Expenses	105,794	225,123	333,551
1.01.08	Other Current Assets	23,051	-	4,884
1.01.08.03	Other	23,051	-	4,884
1.02	Noncurrent Assets	16,492,613	15,099,196	10,257,285
1.02.01	Long-Term Assets	3,854,880	3,156,339	2,486,684
1.02.01.01	Marketable Securities Evaluated at Fair Value	-	7,389	-
1.02.01.01.02	Available-for-Sale Securities	-	7,389	-
1.02.01.03	Accounts Receivable	662,854	617,496	419,191
1.02.01.03.01	Trade Accounts Receivable	555,841	527,939	-
1.02.01.03.02	Other Accounts Receivable	107,013	89,557	419,191
1.02.01.06	Deferred Taxes	1,249,687	1,136,462	1,207,712
1.02.01.06.01	Deferred Income and Social Contribution Taxes	1,249,687	1,136,462	1,207,712

1.02.01.07	Prepaid Expenses	36,899	54,986	19,911
1.02.01.08	Receivables from Related Parties	133,415	176,241	118,650
1.02.01.08.04	Receivables from Other Related Parties	133,415	176,241	118,650
1.02.01.09	Other Noncurrent Assets	1,772,025	1,163,765	721,220
1.02.01.09.04	Recoverable Taxes	729,998	213,506	255,194
1.02.01.09.05	Escrow Deposits	737,688	645,920	466,026
1.02.01.09.06	Financial Instruments	304,339	304,339	-
1.02.02	Investments	253,250	232,540	194,227
1.02.02.01	Equity Interest	253,250	232,540	194,227
1.02.02.01.01	Equity Interest in Associated Companies	252,790	232,540	193,757
1.02.02.01.04	Other Equity Interest	460	-	470
1.02.03	Property and Equipment	7,358,250	6,794,337	5,356,601
1.02.03.01	In operation	6,827,551	5,925,461	5,342,744
1.02.03.02	Leased	185,025	167,934	-
1.02.03.03	In Progress	345,674	700,942	13,857
1.02.04	Intangible Assets	5,026,233	4,915,980	2,219,773
1.02.04.01	Intangible Assets	5,026,233	4,915,980	2,219,773
1.02.04.01.02	Intangible Assets	5,026,233	4,915,980	2,219,773

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

SFS — Standard Financial Statements – 12/31/2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Consolidated Financial Statements/Balance Sheet – Liabilities

R$ (in thousands)

Code	**Description**	**Last fiscal year**	**One before last**	**Two before last**
		12/31/2011	**12/31/2010**	**12/31/2009**
2	Total Liabilities	33,769,005	29,772,263	18,657,033
2.01	Current Liabilities	13,501,202	10,923,437	6,033,725
2.01.01	Payroll and Labor Liabilities	758,663	589,186	428,188
2.01.01.01	Payroll Liabilities	96,376	120,825	52,733
2.01.01.02	Labor Liabilities	662,287	468,361	375,455
2.01.02	Trade Payable	6,278,757	5,368,738	4,004,395
2.01.02.01	Local Trade Payable	6,229,796	5,253,034	4,001,523
2.01.02.02	Foreign Trade Payable	48,961	115,704	2,872
2.01.03	Tax Liabilities	332,416	298,853	313,672
2.01.03.01	Federal Tax Liabilities	324,826	292,658	311,711
2.01.03.01.01	Income and Social Contribution Taxes Payable	151,052	25,463	19,750
2.01.03.01.02	Other (PIS, COFINS, IOF, INSS, Funrural)	173,774	267,195	291,961
2.01.03.03	Municipal Tax Liabilities	7,590	6,195	1,961
2.01.04	Loans and Financing	4,917,498	2,915,116	687,612
2.01.04.01	Loans and Financing	4,334,011	2,329,974	631,194
2.01.04.01.01	In Local Currency	3,778,186	1,872,639	292,915
2.01.04.01.02	In Foreign Currency	555,825	457,335	338,279
2.01.04.02	Debentures	501,844	520,675	19,386
2.01.04.03	Financing by Leasing	81,643	64,467	37,032
2.01.05	Other Liabilities	947,784	1,628,080	544,785
2.01.05.01	Related Parties	27,878	274,291	31,734
2.01.05.01.01	Debts with Associated Companies	11,764	69,254	-
2.01.05.01.03	Debts with Controlling Shareholders	15,772	187,128	-
2.01.05.01.04	Other Related Parties	342	17,909	31,734
2.01.05.02	Other	919,906	1,353,789	513,051

2.01.05.02.01	Dividends	103,396	116,287	98,052
2.01.05.02.04	Public Utilities	18,917	5,383	5,636
2.01.05.02.05	Rent	48,991	68,226	47,424
2.01.05.02.06	Advertising	89,682	33,615	32,333
2.01.05.02.07	Path through to Third Parties	158,134	201,224	-
2.01.05.02.08	Financing by Purchase of Assets	14,211	14,211	14,212
2.01.05.02.09	Other Accounts Payable	431,746	617,359	305,007
2.01.05.02.10	Companies Acquisition	54,829	297,484	-
2.01.05.02.11	Insurance	-	-	10,387
2.01.06	Provisions	266,084	123,464	55,073
2.01.06.02	Other Provisions	266,084	123,464	55,073
2.01.06.02.02	Provisions for Restructuring	12,957	6,372	-
2.01.06.02.05	Taxes Payable by Installments	171,212	54,071	55,073
2.01.06.02.06	Anticipated Revenues	81,915	63,021	-
2.02	Noncurrent Liabilities	10,173,378	9,348,234	5,966,583
2.02.01	Loans and Financing	6,240,900	5,591,936	3,582,599
2.02.01.01	Loans and Financing	3,908,594	4,423,220	2,019,136
2.02.01.01.01	In Local Currency	3,097,465	3,744,762	1,507,489
2.02.01.01.02	In Foreign Currency	811,129	678,458	511,647
2.02.01.02	Debentures	2,137,518	1,067,472	1,481,356
2.02.01.03	Financing by Leasing	194,788	101,244	82,107
2.02.02	Other Liabilities	1,756,076	1,730,508	1,722,661
2.02.02.02	Other	1,756,076	1,730,508	1,722,661
2.02.02.02.03	Taxes Payable by Installments	1,291,810	1,377,758	1,205,579
2.02.02.02.04	Other Accounts Payable	275,664	137,690	308,900
2.02.02.02.05	Companies Acquisition	188,602	215,060	-
2.02.02.02.06	Trade Payable	-	-	208,182
2.02.03	Deferred Taxes	1,114,873	1,028,986	-

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

SFS — Standard Financial Statements – 12/31/2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Consolidated Financial Statements/Balance Sheet – Liabilities

R$ (in thousands)

Code	Description	Last fiscal year 12/31/2011	One before last 12/31/2010	Two before last 12/31/2009
2.02.03.01	Deferred Income and Social Contribution Taxes	1,114,873	1,028,986	-
2.02.04	Provisions for Contingencies	680,123	809,337	661,323
2.02.04.01	Tax, Social Security, Labor and Civil Provisions	680,123	809,337	661,323
2.02.04.01.01	Tax Provisions	375,510	520,110	199,005
2.02.04.01.02	Social security and labor Provisions	132,853	131,494	111,182
2.02.04.01.03	Employee Benefits Provision	48,669	52,858	35,107
2.02.04.01.04	Civil Provisions	123,091	104,875	316,029
2.02.06	Unformed Revenues	381,406	187,467	-
2.02.06.02	Unformed Revenues	381,406	187,467	-
2.03	Consolidated Shareholders' Equity	10,094,425	9,500,592	6,656,725
2.03.01	Paid-in Capital Stock	6,129,405	5,579,259	5,374,751
2.03.02	Capital Reserves	384,342	463,148	647,232
2.03.02.02	Special Goodwill Reserve	238,930	344,605	428,553
2.03.02.04	Granted Options	138,014	111,145	83,223
2.03.02.07	Capital Reserve	7,398	7,398	135,456
2.03.04	Profit Reserves	1,111,526	980,915	602,237
2.03.04.01	Legal Reserve	248,249	212,339	176,217
2.03.04.05	Profit Retention Reserve	80,147	66,654	426,020
2.03.04.10	Expansion Reserve	783,130	701,922	-
2.03.04.11	Gain/loss in equity interest	146,837	243,055	-
2.03.09	Non-Controlling Interest	2,469,152	2,477,270	32,505

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

SFS — Standard Financial Statements – 12/31/2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Consolidated Financial Statements/Statement of Income

R$ (in thousands)

Code	Description	Last fiscal year 1/1/2011 to 12/31/2011	One before last 1/1/2010 to 12/31/2010	Two before last 1/1/2009 to 12/31/2009
3.01	Gross Sales from Goods and/or Services	46,594,486	32,091,674	23,192,758
3.02	Cost of Goods Sold and/or Services Sold	(33,932,964)	(24,241,476)	(17,493,806)
3.03	Gross Profit	12,661,522	7,850,198	5,698,952
3.04	Operating Income/Expenses	(10,524,159)	(6,356,745)	(4,744,423)
3.04.01	Selling Expenses	(7,936,647)	(4,866,289)	(3,532,481)
3.04.02	General and Administrative	(1,683,097)	(950,959)	(679,581)
3.04.04	Other Operating Income	(124,070)	(12,033)	24,731
3.04.04.01	Income with Permanent Assets	(48,820)	(21,182)	24,731
3.04.04.02	Other Operating Income/Expenses	(75,250)	9,149	-
3.04.05	Other Operating Expenses	(815,170)	(561,963)	(562,504)
3.04.05.01	Depreciation/Amortization	(680,547)	(446,129)	(459,900)
3.04.05.02	Other Operating Expenses	(134,623)	(115,834)	(102,604)
3.04.06	Equity Pickup	34,825	34,499	5,412
3.05	Income before Financial Income and Taxes	2,137,363	1,493,453	954,529
3.06	Net Finance Expenses	(1,332,708)	(823,001)	(254,475)
3.06.01	Financial Income	593,250	331,698	250,030
3.06.02	Financial Expenses	(1,925,958)	(1,154,699)	(504,505)
3.07	Earnings Before Income Taxes	804,655	670,452	700,054
3.08	Income and Social Contribution Taxes on Income	(84,999)	(84,522)	(94,015)
3.08.01	Current	(142,117)	(52,052)	(68,081)
3.08.02	Deferred	57,118	(32,470)	(25,934)
3.09	Net Income from Continued Operations	719,656	585,930	606,039
3.11		719,656	585,930	606,039

	Consolidated Net Income/Loss for the year			
3.11.01	Attributed to Partners of Parent Company	718,219	618,498	609,431
3.11.02	Attributed to Non-Controlling Shareholders	1,437	(32,568)	(3,392)
3.99	Earnings per Share - (Reais / Share)			
3.99.01	Earnings Basic per Share			
3.99.01.01	ON	2.61000	2.27000	2.34000
3.99.01.02	PN	2.87000	2.50000	2.59000

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

SFS — Standard Financial Statements – 12/31/2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Consolidated Financial Statements/Statement of Cash Flows – Indirect Method

R$ (in thousands)

Code	**Description**	**Last fiscal year** 1/1/2011 to 12/31/2011	**One before last** 1/1/2010 to 12/31/2010	**Two before last** 1/1/2009 to 12/31/2009
6.01	Cash Flow provided by Operating Activities	1,128,063	361,385	1,586,348
6.01.01	Cash Generated in the Operations	2,649,258	1,235,908	1,454,913
6.01.01.01	Net Income for the Year	719,656	585,930	606,039
6.01.01.02	Deferred Income Tax	(57,118)	32,470	25,934
6.01.01.03	Depreciation/Amortization	706,494	446,129	459,900
6.01.01.04	Equity Pickup	(34,825)	(34,499)	(5,412)
6.01.01.05	Adjustment to Present Value	22,427	(83,950)	36,070
6.01.01.06	Finance charge	965,557	239,473	222,374
6.01.01.07	Provision for Contingencies	(4,798)	298,406	81,326
6.01.01.08	Provision for Share-Based Payment	26,869	27,920	19,621
6.01.01.09	Allowance for doubtful debts	246,385	56,541	5,461
6.01.01.10	Gains due to profitable purchase	-	(351,718)	-
6.01.01.11	Income with Permanent Assets written-off	48,820	73,517	33,770
6.01.01.12	Other	9,791	(54,311)	(30,170)
6.01.02	Changes in Assets and Liabilities	(1,521,195)	(874,523)	131,435
6.01.02.01	Accounts Receivable	(1,925,932)	733,423	4,985
6.01.02.02	Recoverable Taxes	(506,651)	(171,574)	59,910
6.01.02.03	Inventories	(752,539)	(706,705)	(827,088)
6.01.02.04	Marketable Securities	634,978	88,745	-
6.01.02.05	Escrow Deposits	(68,116)	(150,314)	(99,360)
6.01.02.06	Other Assets	114,365	108,404	(101,319)
6.01.02.07	Trade payables	972,395	245,298	1,052,760
6.01.02.08	Payroll Charges	169,477	(170,354)	193,696

6.01.02.09	Related Parties	(189,360)	(941,274)	19,301
6.01.02.10	Other Accounts Payable	30,188	89,828	(171,450)
6.02	Cash flow used in Investing Activities	(1,625,496)	(1,427,990)	(1,580,079)
6.02.01	Restricted Cash	-	58,798	-
6.02.02	Companies Acquisition	(269,113)	(28,544)	-
6.02.03	Companies Acquisition, Net of Cash	-	-	(873,377)
6.02.04	Acquisition of Fixed Assets	(1,262,640)	(1,283,547)	(669,188)
6.02.05	Increase Intangible Assets	(191,635)	(196,714)	(41,819)
6.02.06	Sale of Permanent Asses	98,004	22,017	4,305
6.02.07	Capital Increase	(112)	-	-
6.03	Net Cash provided by (used in) from Financing Activities	1,649,394	2,542,672	712,142
6.03.01	Additions	6,918,179	3,981,201	853,822
6.03.02	Amortization	(4,772,162)	(1,204,381)	(393,129)
6.03.03	Interest Paid	(336,126)	(182,813)	(209,302)
6.03.04	Capital Increase	22,971	35,120	487,143
6.03.05	Net Cash Increase from Acquisitions	-	64,957	82,765
6.03.06	Payment of Dividends	(183,468)	(151,412)	(109,157)
6.05	Net Increase (Decrease) in Cash and Cash Equivalents	1,151,961	1,476,067	718,411
6.05.01	Cash and Cash Equivalents at Beginning of Year	3,817,994	2,341,927	1,623,516
6.05.02	Cash and Cash Equivalents at end of Year	4,969,955	3,817,994	2,341,927

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

SFS — Standard Financial Statements – 12/31/2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Consolidated Financial Statements/Statement of Changes in Shareholders' Equity – 1/1/2011 to 12/31/2011

R$ (in thousands)

Code	Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Accumulated Profit/Losses	Other Comprehensive Income	Shareholders' Equity	Non-Cont In
5.01	Opening Balance	5,579,259	463,148	980,915	-	-	7,023,322	2,4
5.03	Adjusted Opening Balance	5,579,259	463,148	980,915	-	-	7,023,322	2,4
5.04	Capital Transactions with Partners	550,146	(78,806)	(421,500)	(170,577)	-	(120,737)	
5.04.01	Capital Increases	22,971	-	-	-	-	22,971	
5.04.03	Recognized Granted Options	-	26,869	-	-	-	26,869	
5.04.06	Dividends	-	-	-	(170,577)	-	(170,577)	
5.04.08	Reserve Capitalization	527,175	(105,675)	(421,500)	-	-	-	
5.05	Total Comprehensive Income	-	-	-	718,219	-	718,219	
5.05.01	Net Income for the year	-	-	-	718,219	-	718,219	
5.06	Internal Changes of Shareholders' Equity	-	-	552,111	(547,642)	-	4,469	(
5.06.01		-	-	511,731	(511,731)	-	-	

	Constitution of Reserve							
5.06.04	Appropriation of Net Income to Legal Reserve	-	-	35,911	(35,911)	-	-	
5.06.05	Gain/loss in equity interest	-	-	-	4,469	-	4,469	
5.06.06	Non-Controlling Interest	-	-	-	-	-	-	(
5.07	Closing Balance	6,129,405	384,342	1,111,526	-	-	7,625,273	2,4

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

SFS — Standard Financial Statements – 12/31/2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Consolidated Financial Statements/Statement of Changes in Shareholders' Equity – 1/1/2010 to 12/31/2010

R$ (in thousands)

Code	Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Accumulated Profit/Losses	Other Comprehensive Income	Shareholders' Equity	Non-Cont In
5.01	Opening Balance Adjusted	5,374,751	647,232	602,237	-	-	6,624,220	3
5.03	Opening Balance	5,374,751	647,232	602,237	-	-	6,624,220	3
5.04	Capital Transactions with Partners Recognized	204,508	(55,988)	(81,440)	(171,575)	-	(104,495)	
5.04.03	Granted Options	-	27,920	-	-	-	27,920	
5.04.05	Treasury Shares acquired	-	-	4,040	-	-	4,040	
5.04.06	Dividends	-	-	-	(171,575)		(171,575)	
5.04.08	Reserve Capitalization	169,388	(83,908)	(85,480)	-	-	-	
5.04.09	Capital Stock Subscribed	35,120	-	-	-	-	35,120	
5.05	Total Comprehensive Income	-	-	-	618,498	-	618,498	(3
5.05.01	Net Income for the year	-	-	-	618,498	-	618,498	(3
5.06	Internal Changes of Shareholders'	-	(128,096)	460,118	(446,923)	-	(114,901)	2,4

	Equity							
5.06.01	Constitution of Reserve	-	-	410,801	(410,801)	-	-	
5.06.04	Acquisition of Non-Controlling Interest	-	(128,096)	(229,860)	-	-	(357,956)	2,4
5.06.06	Gain/loss in Equity Interest	-	-	243,055	-	-	243,055	
5.06.07	Appropriation of Net Income to Legal Reserve	-	-	36,122	(36,122)	-	-	
5.07	Closing Balance	5,579,259	463,148	980,915	-	-	7,023,322	2,4

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

SFS — Standard Financial Statements – 12/31/2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Consolidated Financial Statements/Statement of Changes in Shareholders' Equity – 1/1/2009 to 12/31/2009

R$ (in thousands)

Code	Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Accumulated Profit/Losses	Other Comprehensive Income	Shareholders' Equity	Non-Cont In
5.01	Opening Balance Adjusted	4,450,725	709,031	294,465	-	-	5,454,221	
5.03	Opening Balance	4,450,725	709,031	294,465	-	-	5,454,221	
5.04	Capital Transactions with Partners Recognized	924,026	(61,799)	(161,159)	(140,500)	-	560,568	
5.04.03	Granted Options	-	19,621	-	-	-	19,621	
5.04.05	Treasury Shares acquired	-	-	(10,908)	-	-	(10,908)	
5.04.06	Dividends	-	-	-	(140,500)		(140,500)	
5.04.08	Reserve Capitalization	239,031	(88,780)	(150,251)	-	-	-	
5.04.09	Capital Stock Subscribed	664,362	-	-	-	-	664,362	
5.04.10	Stock Options Exercised	20,633	-	-	-	-	20,633	
5.04.11	Paid-in Capital - Globex	-	7,360	-	-	-	7,360	
5.05	Total Comprehensive Income	-	-	-	609,431	-	609,431	(
5.05.01		-	-	-	609,431	-	609,431	(

	Net Income for the year						
5.06	Internal Changes of Shareholders' Equity	-	-	468,931	(468,931)	-	-
5.06.04	Transfer to Expansion Reserve	-	-	379,350	(379,350)	-	-
5.06.05	Appropriation of Net Income to Legal Reserve	-	-	29,579	(29,579)	-	-
5.06.06	Profit Retention Reserve	-	-	60,002	(60,002)	-	-
5.06.08	Acquisition of Minority Interest	-	-	-	-	-	-
5.07	Closing Balance	5,374,751	647,232	602,237	-	-	6,624,220

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

SFS — Standard Financial Statements – 12/31/2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Consolidated Financial Statements/Statement of Value Added

R$ (in thousands)

Code	**Description**	**Last fiscal year 1/1/2011 to 12/31/2011**	**One before last 1/1/2010 to 12/31/2010**	**Two before last 1/1/2009 to 12/31/2009**
7.01	Revenues	52,453,624	36,198,903	26,165,116
7.01.01	Sales of Goods, Products and Services	52,573,420	36,144,368	26,161,597
7.01.02	Other Revenues	136,575	109,186	58,356
7.01.02.01	Other Revenues/Expenses Operating	136,575	109,186	58,356
7.01.04	Allowance for/Reversal of Doubtful Accounts	(256,371)	(54,651)	(54,837)
7.02	Raw materials Acquired from Third Parties	(41,102,051)	(29,077,323)	(21,033,445)
7.02.01	Costs of Products, Goods and Services Sold	(36,637,834)	(26,175,020)	(19,132,761)
7.02.02	Materials, Energy, Outsourced Services and Other	(4,464,217)	(2,902,303)	(1,900,684)
7.03	Gross Added Value	11,351,573	7,121,580	5,131,671
7.04	Retention	(706,494)	(446,129)	(459,900)
7.04.01	Depreciation and Amortization	(706,494)	(446,129)	(459,900)
7.05	Net Added Value Produced	10,645,079	6,675,451	4,671,771
7.06	Added Value Received in Transfers	628,075	366,197	252,118
7.06.01	Equity Pickup	34,825	34,499	5,412
7.06.02	Financial Income	593,250	331,698	246,706
7.07	Total Added Value to Distribute	11,273,154	7,041,648	4,923,889
7.08	Distribution of Added Value	11,273,154	7,041,648	4,923,889
7.08.01	Personnel	5,227,944	2,603,281	1,789,983
7.08.01.01	Direct Compensation	3,893,645	1,882,359	1,269,490
7.08.01.02	Benefits	777,577	532,253	397,261
7.08.01.03	Government Severance Indemnity Fund for Employees (FGTS)	403,264	153,559	90,727
7.08.01.04	Other	153,458	35,110	32,505
7.08.01.04.01	Interest	153,458	35,110	32,505
7.08.02	Taxes, Fees and Contributions	2,281,380	1,982,743	1,439,099

7.08.02.01	Federal	1,079,903	1,343,183	722,314
7.08.02.02	State	986,866	489,724	585,789
7.08.02.03	Municipal	214,611	149,836	130,996
7.08.03	Value Distributed to Providers of Capital	3,044,174	1,869,694	1,088,768
7.08.03.01	Interest	1,926,074	1,163,233	536,308
7.08.03.02	Rentals	1,118,100	706,461	552,460
7.08.04	Value Distributed to Shareholders	719,656	585,930	606,039
7.08.04.02	Dividends	170,577	171,575	153,669
7.08.04.03	Retained Earnings/Accumulated Losses for the year	547,642	446,923	455,762
7.08.04.04	Non-Controlling Interest in Retained Earnings	1,437	(32,568)	(3,392)

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

SFS — Standard Financial Statements – 12/31/2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Companhia Brasileira de Distribuição

Notes to the consolidated financial statements

December 31, 2011 and 2010

(In thousands of Reais, except when otherwise stated)

4Q11 and 2011 Results

Consolidated net income totaled R$361 million in 4Q11

São Paulo, Brazil, February 16, 2012 - Grupo Pão de Açúcar [BM&FBOVESPA: PCAR4 (PN); NYSE: CBD] and **Viavarejo S.A.** - new corporate name of Globex Utilidades S.A., approved on Extraordinary Shareholders' Meeting held on 02/15/12 - [BM&FBOVESPA: GLOB3] announce their results for the fourth quarter (4Q11) and full year of 2011 (2011). **GPA Food's** operations comprise supermarkets (Pão de Açúcar and Extra Supermercado), hypermarkets (Extra), neighborhood stores (Mini Mercado Extra), cash-and-carry stores (Assaí), gas stations and drugstores, while **GPA Consolidated's** operations comprise GPA Food and Viavarejo (Casas Bahia and Ponto Frio's bricks-and-mortar stores and NovaPontocom's e-commerce stores: Extra.com.br, PontoFrio.com.br and Casasbahia.com.br).

GPA FOOD

Gross sales moved up by 10.3% in 4Q11

GPA Food recorded EBITDA margin of 9.0% in 4Q11, the highest figure since the IPO

§ Gross sales of R$ 8,028 million, 10.3% up on 4Q10

§ Gross profit of R$ 1,882 million, 11.2% more than in 4Q10

§ EBITDA of R$ 650 million, a 23.5% improvement over 4Q10

§ Net income of R$ 291 million, same level of 4Q10

GPA CONSOLIDATED

EBITDA totaled R$1.1 million in 4Q11, 50.5% up year-on-year, accompanied by a margin of 8.2%.

Adjusted net income came to R$430 million, with a margin of 3.2%.

§ Gross sales of R$ 15,132 million, 20.1% up year-on-year

§ Gross profit of R$ 3,741 million, with a margin of 28.0%

§ EBITDA of R$ 1,096 million, with a margin of 8.2%

§ Net income of R$ 361 million, 43.1% up year-on-year

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Highlights

GPA Food

(R$ million)[1]	4Q11	4Q10	Δ	2011	2010	Δ	4Q1
Gross Sales Revenue	8,028	7,276	10.3%	28,431	26,131	8.8%	15,1
Net Sales Revenue	7,206	6,536	10.3%	25,578	23,486	8.9%	13,3
Gross Profit	1,882	1,692	11.2%	6,613	5,946	11.2%	3,7
Gross Margin	26.1%	25.9%	20 bps	25.9%	25.3%	50 bps	28.0
EBITDA	650	526	23.5%	1,949	1,685	15.6%	1,0
EBITDA Margin	9.0%	8.0%	100 bps	7.6%	7.2%	40 bps	8.2
Net Income - Controlling Shareholders [2]	291	291	0.0%	659	643	2.4%	3
Net Margin	4.0%	4.5%	-40 bps	2.6%	2.7%	-20 bps	2.7
Adjusted Net Income - Controlling Shareholders [2]	344	174	98.0%	756	624	21.0%	4
Margem Líquida ajustada	4.8%	2.7%	210 bps	3.0%	2.7%	30 bps	3.2

(1) Totals may not tally as the figures are rounded off and all margins were calculated as percentage of net sales revenue.
(2) Net Income after minority interest.

Message from Management

Last year was a landmark for the Group in terms of operational consolidation. We concluded the conversion of 221 CompreBem and Sendas stores, begun in 2010; we revised the management model for Assaí, our cash-and-carry format, as well as the management model and positioning of our convenience store format (Extra Fácil to Mini Mercado Extra); we improved the assortment of all the formats in line with Brazilians' new consumption habits, especially to meet the new demands of the upwardly income groups; we revised corporate and in-store processes; and the integration of Ponto Frio and Casas Bahia is in progress, with the recurring capture of synergies. The Group's management model will sustain the synergic functioning of all our businesses, while respecting the individuality of each.

This model prioritizes the adoption of our culture and our values – humility, discipline, determination, perseverance and emotional balance – by all our employees, whether corporate or in the stores and distribution centers, because we believe that only by putting the right people in the right place we will be able to achieve our objectives.

Even with the slowing of the economy, especially in the second half, we maintained our investments in management processes, through which we acquire an integrated view of the role of information technology, logistics and the back-office, which ensures exemplary execution. This processes automation reduces shrinkage and stock-outs and increases store productivity and efficiency by improving the management of inventories and, consequently, working capital. The unification of the Ponto Frio and Casas Bahia systems into a single operational platform helped capture synergies between the two companies and improve inventory and margin management.

The e-commerce operation completed a year under the new model, which joined the operations of Extra.com.br, PontoFrio.com and CasasBahia.com.br in a new company, Nova Pontocom, and achieved growth that was double that of the market, with heightened profitability. Even with the increase in competition, Nova Pontocom continued to invest in logistics, technology and service in order to confront current and future challenges.

We further underlined the alignment of our dynamism and commercial management with customer aspirations by holding Brazil's first Black Friday in bricks-and-mortar stores. Based on the traditional U.S. retail sale of the same name, the event, pioneered by Extra, was held in all the format's stores and was welcomed by customers, achieving higher-than-expected results.

The opening of new stores across all formats is part of a planned expansion process. The Group uses its market intelligence to promote synergies between its retail sales force and its real estate assets, which are managed by GPA Malls & Properties. The idea is to ensure growth by making the maximum possible use of the capital employed and diluting expenses. In October, GPA Malls & Properties launched Thera, the first real estate development combining residential units, offices and a Group store.

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The results presented herein show the force of a team that is totally integrated and determined to overcome challenges on a daily basis, exemplified by the fact that we achieved our annual objectives, exceeding our gross sales guidance of R$50 billion. We know the challenges will continue in 2012 and we are fully committed to ensuring the continuation of the Group's sustainable expansion, seeking a competitive positioning with profitability and gains in market share. We are a company that does everything possible to deliver results for our shareholders by ensuring the satisfaction of our employees, customers and society as a whole, through the practice of sustainable values in all our initiatives. Our aim is to use the results of a contented working environment to contribute to the development of Brazil.

Enéas Pestana

Chief Executive Officer

PERFORMANCE BY SEGMENT

The Company operates in an integrated manner in two business segments, as shown below:

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SALES PERFORMANCE

GPA Food – 4Q11

	GPA Food			GPA Food Retail			GPA Food Cash and Carry		
(R$ million)	**4Q11**	**4Q10**	**Δ**	**4Q11**	**4Q10**	**Δ**	**4Q11**	**4Q10**	**Δ**
Gross Sales Revenue	8,028	7,276	10.3%	6,786	6,251	8.6%	1,243	1,025	21.3%
Net Sales Revenue	7,206	6,536	10.3%	6,072	5,614	8.2%	1,134	922	23.0%
Gross Same Store Sales	8.7%	7.2%							
Food	7.2%	8.4%							
Non-food	13.6%	3.2%							

GPA Food – 4Q11

GPA Food’s gross sales increased by 10.3% in the quarter. We highlight below some of the factors which contributed to this increase:

} Retail: Gross sales were 8.6% higher than in 4Q10, mainly due to:

§ The inclusion of 204 Extra Supermercado stores (converted from CompreBem and Sendas) upon the commemoration of the format’s anniversary.

§ Brazil’s first “Black Friday” in 336 Extra bricks-and-mortar stores, pioneered by the banner.

§ The launch of Mini Mercado Extra to replace Extra Fácil, with a larger sales area and a focus on perishables and services. Nineteen stores were converted to the new format in the quarter.

§ The opening of 10 new stores: two Pão de Açúcar, two Extra Hipermercado, five Mini Mercado Extra and one Extra Supermercado.

} Cash-and-carry: gross sales increased by 21.3%, chiefly due to:

§ The successful repositioning of the assortment in the Assaí stores, which target food distributors and processors, resulting in an increase in the average institutional customer ticket, benefiting same-store sales growth; there were also gains from the maturation of stores opened in the last two years.

GPA Food – 2011 and GPA Consolidated – 4Q11 and 2011

	GPA Food			**GPA Consolidated**					
(R$ million)	**2011**	**2010**	**Δ**	**4T11**	**4T10**	**Δ**	**2011**	**2010**	**Δ**
Gross Sales Revenue	28,431	26,131	8.8%	15,132	12,598	20.1%	52,681	36,144	45.8%
Net Sales Revenue	25,578	23,486	8.9%	13,371	11,034	21.2%	46,594	32,092	45.2%
Gross Same Store Sales	8.0%	9.5%		8.5%	11.5%		8.8%	12.1%	
Food	7.5%	9.3%							
Non-food	9.6%	10.2%							

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2011 GPA Food

} Gross sales totaled R$28,431 million in 2011, 8.8% up on the previous year. Note that Extra.com.br and Extra Eletro operations were transferred from GPA Food to Viavarejo in 2010 and were therefore not present in 2011. Excluding these operations from the 2010 basis, gross sales would have grown by 11.4% in 2011.

} Same-store gross sales climbed by 8.0% over 2010, giving real growth of 1.3% when deflated by the average IPCA consumer price index in 2011.

4Q11 and 2011 GPA Consolidated

} Consolidated gross sales came to R$15,132 million in the fourth quarter, 20.1% more than in 4Q10, chiefly due to the consolidation of Casas Bahia’s results into Viavarejo’s operations, when in 2010 there were considered sales of November and December and in 2011, there were considered sales of October, November and December:

§ In 2011, gross sales stood at R$52,681 million, up by 45.8%, due to the consolidation of Casas Bahia’s results, the performance of Ponto Frio and Casas Bahia stores and Nova PontoCom, the conclusion of the conversion of CompreBem and Sendas stores to the Extra Supermercado format, and the repositioning of Assaí and Mini Mercado Extra.

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Operating Performance

GPA Food – 4Q11

							GPA Food		
		GPA Food			Retail			Cash and Ca	
(R$ million)	**4Q11**	**4Q10**	**Δ**	**4Q11**	**4Q10**	**Δ**	**4Q11**	**4Q10**	
Net Sales Revenue	7,206	6,536	10.3%	6,072	5,614	8.2%	1,134	922	
Gross Profit	1,882	1,692	11.2%	1,707	1,558	9.6%	175	134	
Gross Margin	26.1%	25.9%	20 bps	28.1%	27.8%	30 bps	15.4%	14.5%	9
Selling Expenses	(1,016)	(966)	5.2%	(916)	(872)	5.0%	(100)	(94)	
General and Administrative Expenses	(216)	(200)	8.0%	(202)	(187)	8.1%	(14)	(13)	
Total Operating Expenses	(1,232)	(1,166)	5.7%	(1,118)	(1,059)	5.5%	(114)	(107)	
% of Net Sales	17.1%	17.8%	-70 bps	18.4%	18.9%	-50 bps	10.1%	11.6%	-15
EBITDA	650	526	23.5%	589	499	18.1%	61	27	1
EBITDA Margin	9.0%	8.0%	100 bps	9.7%	8.9%	80 bps	5.4%	3.0%	24

4Q11 GPA Food

GPA Food's EBITDA margin stood at 9.0% in 4Q11, the highest figure since the IPO

} Retail:the EBITDA margin came to 9.7%, 80 bps up on 4Q10, due to:

§ A 30 bps gain in the gross margin as a result of: (i) the conversion of CompreBem and Sendas stores to the Extra Supermercado format, meeting the needs of consumers by favoring perishables, whose margins are higher; (ii) more advantageous negotiations with suppliers, in line with the commercial strategy which relies on IT systems, such as DemandTec and Oracle Retail, to improve sales management.

§ The 50 bps reduction in operating expenses was a result of the rationalization of spending on third parties services (often used by the end of the year - seasonality) and the economy with the information technology, which was possible by streamlining the number of formats and standardization of processes occurring during the year. It is noteworthy that the result was obtained even with increased personnel costs resulting from collective union agreement above inflation.

} Cash and carry: the EBITDA margin came to 5.4% (the highest EBITDA margin since the acquisition of Assaí), a 240 bps improvement over 4Q10, due to:

§ A 90bps upturn in the gross margin as a result of: a strategic decision to focus on food distributors and processors, which led to a reduced assortment and a more profitable mix, generating scale gains and permitting more advantageous negotiations with suppliers.

§ A 150bps decline in operating expenses, chiefly due to sales growth, in turnfueled by staff reductions, with the elimination of the bakery and butcher’s sections, and the maturation of the stores opened in the last two years.

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GPA Food – 2011 and GPA Consolidated – 4Q11 and 2011

	GPA Food			GPA Consolidated					
(R$ million)	**2011**	**2010**	**Δ**	**4Q11**	**4Q10**	**Δ**	**2011**	**2010**	
Net Sales Revenue	25,578	23,486	8.9%	13,371	11,034	21.2%	46,594	32,092	
Gross Profit	6,613	5,946	11.2%	3,741	2,793	34.0%	12,662	7,850	
Gross Margin	25.9%	25.3%	50 bps	28.0%	25.3%	270 bps	27.2%	24.5%	2
Selling Expenses	(3,921)	(3,563)	10.1%	(2,195)	(1,690)	29.8%	(7,937)	(4,866)	
General and Administrative Expenses	(743)	(698)	6.4%	(450)	(374)	20.3%	(1,683)	(951)	
Total Operating Expenses	(4,664)	(4,261)	9.4%	(2,645)	(2,064)	28.1%	(9,620)	(5,817)	
% of Net Sales	18.2%	18.1%	10 bps	19.8%	18.7%	110 bps	20.6%	18.1%	2
EBITDA	1,949	1,685	15.6%	1,096	728	50.5%	3,042	2,033	
EBITDA Margin	7.6%	7.2%	40 bps	8.2%	6.6%	160 bps	6.5%	6.3%	

2011 GPA Food

} In 2011, EBITDA totaled R$1,949 million, 15.6% up on 2010, with an EBITDA margin of 7.6%, up by 40 bps.

4Q11 and 2011 GPA Consolidated

} In 4Q11, EBITDA stood at R$1,096 million, 50.5% up on 2010, due to the previously mentioned improvement of GPA Food and the consolidation of Casas Bahia's results into Viavarejo, which together with Ponto Frio and Nova PontoCom operations provided, mainly, scale gains with suppliers and access to better assortment.

} In 2011, EBITDA came to R$3,042 million, 49.6% higher than in 2010, while the EBITDA margin widened by 20 bps to 6.5%.

Financial Performance and Debt

GPA Food and GPA Consolidated

Financial Result

	GPA Food						GP	
(R$ million)	**4Q11**	**4Q10**	**Δ**	**2011**	**2010**	**Δ**	**4Q11**	**4Q10**
Financial Revenue	77	72	7.0%	383	297	28.9%	150	104
Financial Expenses	(223)	(208)	7.0%	(1,024)	(705)	45.2%	(493)	(462)
Net Financial Revenue (Expenses)	**(146)**	**(136)**	**7.0%**	**(641)**	**(408)**	**57.2%**	**(343)**	**(358)**
% of Net Sales	-2.0%	-2.1%		-2.5%	-1.7%		-2.6%	-3.2%
Charges on Net Bank Debt	(86)	(70)	21.5%	(344)	(220)	56.7%	(156)	(78)
Cost of Discount of Receivables	(37)	(38)	-3.5%	(153)	(116)	31.3%	(181)	(221)
Restatement of Other Assets and Liabilities	(23)	(27)	-13.8%	(144)	(72)	100.7%	(6)	(59)
Net Financial Revenue (Expenses)	**(146)**	**(136)**	**7.0%**	**(641)**	**(408)**	**57.2%**	**(343)**	**(358)**

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4Q11 GPA Alimentar

} In 4Q11, the Company recorded a net financial expense of R$146 million, equivalent to 2.0% of net sales, very close to the 2.1% recorded in 4Q10.

} The financial result was due to the following factors:

§ Interest on the net bank debt totaling R$86 million, equivalent to 1.2% of net sales, virtually identical to the 4Q10 ratio (1.1%).

§ Discounted receivables cost of R$37.0 million, representing 0.5% of net sales, in line with the 0.6% recorded in 4Q10.

§ Other assets and liabilities restated by the CDI interbank rate totaling R$23 million, or 0.3% of net sales, in line with the 0.4% reported in 4Q10.

Debt

GPA Food and GPA Consolidated

	GPA Food		GPA Consolidated	
(R$ million)	**12.31.2011**	**09.30.2011**	**12.31.2011**	**09.30.2011**

Short Term Debt	(2,059)	(636)	(2,654)	(1,466)
Loans and Financing - short term	(1,557)	(374)	(2,153)	(1,205)
Debentures - short term	(502)	(262)	(502)	(262)
Long Term Debt	(3,503)	(4,102)	(3,691)	(4,300)
Loans and Financing- long term	(1,365)	(2,573)	(1,554)	(2,770)
Debentures - long term	(2,138)	(1,529)	(2,138)	(1,529)
Total Gross Debt	(5,562)	(4,737)	(6,346)	(5,766)
Cash and Marketable Securities	3,544	2,463	4,970	3,575
Net Debt	(2,017)	(2,275)	(1,376)	(2,192)
Net Debt / EBITDA(1)	1.04x	1.23x	0.45x	0.81x
Payment book - short term	-	-	(2,263)	(2,029)
Payment book - long term	-	-	(129)	(94)
Net Debt with payment book(2)	-	-	(3,768)	(4,315)
Net Debt / EBITDA(1)	1.04x	1.23x	1.24x	1.60x

(1) EBITDA for the last 12 months
(2) For debt calculation purposes, the amounts of R$2.263 billion in 4Q11 and R$2.497 billion in 3Q11, referring to Receivables Fund (FIDC), were not considered.

2011 GPA Food

} On 12/31/2011, GPA Food’s net debt totaled R$2.017 billion, R$258 million down on 09/30/2011, thanks to higher operational cash flow in the period. The net-debt-to-EBITDA ratio stood at 1.04x. In the quarter, debentures in the total amount of R$800 million were issued due in 2015 for lengthening the debt maturity.

4Q11 and 2011 GPA Consolidated

} On 12/31/2011, consolidated net debt came to R$3.768 billion, a R$547 million improvement over the previous quarter, due to improved cash flow in the period and the higher volume of discounted receivables as a result of seasonality of sales at the end of the year. The net-debt-to-EBITDA ratio was 1.24x.

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4Q11 Equity Income

} In 4Q11, FIC (Financeira Itaú CBD) net income of the Group's share totaled R$10.3 million, R$4.5 million of which went to GPA Food and R$5.8 million to Viavarejo.

Net Income

GPA Food – 4Q11

	GPA Food			R	
(R$ million)	**4Q11**	**4Q10**	**Δ%**	**4Q11**	**4C**
EBITDA	650	526	23.5%	589	4
Depreciation and Amortization	(180)	(105)	71.4%	(172)	(
Net Financial Revenue (Expenses)	(146)	(136)	7.0%	(126)	(1
Equity Income	5	(20)		5	(
Result from Permanent Assets	(33)	(25)	29.9%	(33)	(

Nonrecurring Result	(48)	(26)	83.7%	(48)	(
Other Operating Revenue (Expenses)	0	59		0	
Income Before Income Tax	248	272	-8.7%	214	1
Income Tax	21	33	-35.2%	33	
Minority Interest - Noncontrolling	22	(13)		22	(
Net Income (1) - Controlling Shareholders	**291.2**	**291.4**	**0.0%**	**269**	**2**
Net Margin	**4.0%**	**4.5%**	**-40 bps**	**4.4%**	**5.**
Total Nonrecurring (Net of Income tax and Minority interest)	53	(118)			
Refis 11.941/2009	-	387			
Expenses (Revenues) with Association	39	(414)			
Expenses from Integration/Restructuring (2)	19	8			
Minority Interest	1	-			
Income Tax from Nonrecurring	(7)	(99)			
Adjusted Net Income	**344**	**174**	**98.0%**		
Adjusted Net Margin	**4.8%**	**2.7%**	**210 bps**		

(1) Net Income after minority interest

(2) It includes R$ 10 million from assets written-off

4Q11 GPA Food

} Depreciation and Amortization: in the quarter, depreciation and amortization totaled R$180 million, up 71.4% compared to 4Q10. This increase was primarily due to the amortization of intangibles arising from business combination of the association with Casas Bahia in the amount of R$61.4 million. Excluding this effect, the line of depreciation and amortization would be R$118.6 million, an increase of 13.0% compared to 4Q10.

} In 4Q11, GPA Food recorded net income of R$291million, with a margin of 4.0%. This result was impacted by:

§ R$40 million of expenses with association concerning the contingency process in Viavarejo occurred before the partnership agreement with Nova Casas Bahia.

§ R$19 million of integration expenses of R$19 million, mainly due to the write-off of assets as a result of the closure of 58 Ponto Frio stores in the quarter.

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§ Excluding the above mentioned impacts, net income came to R$344 million, accompanied by a 4.8% margin.

GPA Food – 2011 and GPA Consolidated – 4Q11 and 2011

	GPA Food				
(R$ million)	**2011**	**2010**	**Δ%**	**4Q11**	**4Q**
EBITDA	**1,949**	**1,685**	**15.6%**	**1,096**	**7**
Depreciation and Amortization	(547)	(380)	44.2%	(214)	(1
Net Financial Revenue (Expenses)	(641)	(408)	57.2%	(343)	(3
Equity Income	19	22	-12.8%	10	(
Result from Permanent Assets	(33)	(21)	57.7%	(51)	(
Nonrecurring Result	(99)	(105)	-5.2%	(48)	(
Other Operating Revenue (Expenses)	(0)	(11)		(15)	(
Income Before Income Tax	646	783	-17.4%	434	
Income Tax	(31)	(131)	-76.7%	(39)	
Minority Interest - Noncontrolling	43	(8)		(34)	

Net Income (1) - Controlling Shareholders	**659**	**643**	**2.4%**	**361**	**2**
Net Margin	**2.6%**	**2.7%**	**-10 bps**	**2.7%**	**2.**
	97	**(19)**		**73**	**(1**
	28	459		-	[illegible]
Total Nonrecurring (Net of Income tax and Minority interest)	39	(357)		39	(4
Refis 11.941/2009	41	14		78	
Expenses (Revenues) with Association	-			-	
Expenses from Integration/Restructuring	-	(16)		-	
Minority Interest	6	-		(17)	
Income Tax from Nonrecurring	(17)	(118)		(27)	(
Adjusted Net Income	**756**	**624**	**21.0%**	**434**	**1**
Adjusted Net Margin	**3.0%**	**2.7%**	**30 bps**	**3.2%**	**1.**

(1) Net Income after minority interest

2011 GPA Food

} In 2011, net income totaled R$659 million, accompanied by a margin of 2.6%, while adjusted net income came to R$756 million, with a margin of 3.0%.

4Q11 and 2011 GPA Consolidated

} In 4Q11, consolidated net income amounted to R$361million, with a margin of 2.7%. Excluding non-recurring items, net income came to R$430 million, with a margin of 3.2%.

} In 2011, net income totaled R$718 million, with a margin of 1.5%. Excluding non-recurring items, net income came to R$880 million, with a margin of 1.9%.

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Cash Flow

GPA Food and GPA Consolidated

	GPA Food						GPA Co		
(R$ million)	**4Q11**	**4Q10**	**Δ**	**2011**	**2010**	**Δ**	**4Q11**	**4Q10**	**Δ**
Cash Balance at beginning of period	2,463	2,013	449	2,466	2,256	210	3,547	2,126	1,42
Cash Flow from operating activities	751	1,117	(366)	1,636	1,003	633	1,299	626	67
EBITDA	650	526	124	1,949	1,685	264	1,096	728	36
Cost of Discount of Receivables	(37)	(38)	1	(153)	(116)	(36)	(181)	(221)	3
Working Capital	138	629	(491)	(160)	(566)	405	385	118	26
Cash Flow from Investment Activities	(380)	(609)	228	(1,374)	(1,393)	19	(413)	(613)	20
CAPEX	(373)	(608)	236	(1,105)	(1,364)	260	(405)	(673)	26
Aquisition and Others	(8)	(0)	(7)	(269)	(29)	(241)	(8)	60	(68
Cash Flow from Financing Activities	711	(56)	767	816	599	217	537	1,680	(1,14
Dividends Payments and Others	(22)	(308)	286	(160)	(410)	249	(22)	50	(7
Net Proceeds	733	252	480	977	1,009	(32)	559	1,629	(1,07
Variation of Net Cash Generated	1,082	453	629	1,078	210	869	1,423	1,692	(26
Cash Balance at end of period	3,544	2,466	1,078	3,544	2,466	1,078	4,970	3,818	1,15

4Q11 and 2011 GPA Food

} In 4Q11, GPA Food’s cash flow generated totaled R$1.082 billion, R$629 million more than in 4Q10. This increase was due to EBITDA generated in the period and to the amount raised with debentures issuance.

4Q11 and 2011 GPA Consolidated

} In 4Q11, consolidated cash flow generated came to R$1.423 billion, as a result of GPA Food’s good performance and to the recovery of Viavarejo operational activities in line with the synergy curve expected by the Group. In 2011, cash flow amounted to R$1,152 million, R$324 million down on 2010.

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CAPEX

GPA Food and GPA Consolidated

	GPA Food		GPA Consolidated	
(R$ million)	4Q11	2011	4Q11	2011
New stores and land acquisition	55	176	82	246
Store renovations and conversions	164	602	195	661
Infrastructure and Others	213	434	268	676
Total	432	1,212	544	1,583

4Q11 GPA Food

} GPA Food opened ten new stores in the fourth quarter: two Pão de Açúcar, two Extra Hipermercado, one Extra Supermercado and five Mini Mercado Extra.

} In Infrastructure and other R$213 million were invested, mainly in:

§ Outsourcing for Information Technology in the amount of R$132 million;

§ Oracle Retail in the amount of R$12 million for commercial management and logistics efficiency; and

§ Dunnhumby in the amount of R$27 million. System that will help us to better understand the composition of the ticket per customer profile in each format.

} In renovations and conversions R$164 million were invested, of which:

§ R$154 million in maintenance of stores, headquarters and distribution center; and

§ R$10 million in conversion of CompreBem and Sendas in Extra Supermercado and of Extra Fácil to Mini Mercado Extra.

} In opening and construction of stores and lands acquisition there were spent R$ 55 million.

4Q11 and 2011 GPA Consolidated

} Consolidated investments totaled R$544 million in 4Q11.In addition to the new GPA Food stores, the Company opened ten Viavarejo stores: seven Casas Bahia and three Ponto Frio.

} In 2011, the investments totaled R$1,583 million.

Dividends

GPA Consolidated

	GPA Consolidated				
(R$ million)	**1Q11**	**2Q11**	**3Q11**	**4Q11**	**2011**
Dividends	22.5	22.6	22.6	102.9	170.6

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4Q11 and 2011 GPA Consolidated

4 Management will propose that the Company's Annual Shareholders' Meeting to be held on April 30, 2012 approve the payment of dividends totaling R$102.9 million, complementing the R$67.6 million dividends prepaid in 2011. As a result, proposed 2011 dividends will total R$170.6 million.

4 In accordance with the Company's Dividend Payment Policy, approved on August 3, 2009, the amount of R$102.9 million corresponds to the difference between the minimum mandatory dividends – calculated based on the Group's 2011 performance – and the dividends prepaid in 2011, which totaled R$67.6 million.

4 The dividends proposed by GPA's Management, in the amount of R$102.9 million, will correspond to R$0.37295 per common share and R$0.41026 per preferred share.

4 Shareholders registered as such on April 30, 2012 will be entitled to receive the payment. Shares will be traded ex-dividends as of May 2, 2012, until the payment date.

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BALANCE SHEET

ASSETS

	GPA Food			
(R$ million)	**12.31.2011**	**09.30.2011**	**12.31.2010**	**12.31.**
Current Assets	**9,057**	**7,313**	**7,579**	**17**
Cash and Marketable Securities	3,544	2,463	2,466	
Accounts Receivable	365	187	324	
Credit Cards	252	121	209	
Payment book	-	-	-	
Sales Vouchers and Others	109	62	111	
Post-Dated Checks	4	4	6	
Allowance for Doubtful Accounts	(0)	(0)	(1)	
Resulting from Commercial Agreements	447	303	421	
Receivables Fund (FIDC)	1,182	1,024	1,325	
Inventories	2,865	2,568	2,420	
Recoverable Taxes	458	509	448	
Expenses in Advance and Other Accounts Receivables	196	259	174	
Noncurrent Assets	**13,578**	**13,174**	**12,937**	**1[illegible]**
Long-Term Assets	2,056	1,959	1,990	
Marketable Securities	-	-	-	
Accounts Receivables	445	439	421	
Paes Mendonça	445	439	421	

Payment Book	-	-	-	
Allowance for Doubtful Accounts	-	-	-	
Recoverable Taxes	32	12	127	
Fair Value Bartira	304	416	304	
Deferred Income Tax and Social Contribution	456	397	413	
Amounts Receivable from Related Parties	95	101	96	
Judicial Deposits	616	502	503	
Expenses in Advance and Others	108	92	126	
Investments	156	152	137	
Property and Equipment	6,446	6,276	6,017	
Intangible Assets	4,919	4,787	4,792	
TOTAL ASSETS	**22,635**	**20,486**	**20,516**	**33**

LIABILITIES

	GPA Food			
	12.31.2011	**09.30.2011**	**12.31.2010**	**12.31.**
Current Liabilities	**7,164**	**4,470**	**6,222**	**13**
Suppliers	3,432	2,417	2,947	
Loans and Financing	1,557	374	826	
Payment Book (CDCI)	-	-	-	
Debentures	502	262	521	
Payroll and Related Charges	376	406	299	
Taxes and Social Contribution Payable	92	71	139	
Dividends Proposed	103	0	115	
Financing for Purchase of Fixed Assets	14	14	14	
Rents	49	44	68	
Acquisition of Companies	55	53	297	
Debt with Related Parties	524	523	525	
Advertisement	29	32	34	
Provision for Restructuring	13	6	6	
Tax Payments	168	81	53	
Advanced Revenue	15	-	-	
Others	234	187	378	
Long-Term Liabilities	**8,052**	**8,665**	**7,362**	**10**
Loans and Financing	1,365	2,572	1,831	
Payment Book (CDCI)	-	-	-	
Receivables Fund (FIDC)	1,236	1,201	1,096	
Debentures	2,138	1,529	1,067	
Acquisition of Companies	189	184	215	
Deferred Income Tax and Social Contribution	1,115	1,129	1,029	
Tax Installments	1,249	1,404	1,326	
Provision for Contingencies	520	415	656	
Advanced Revenue	-	-	5	
Others	240	231	137	
Shareholders' Equity	**7,419**	**7,351**	**6,932**	**10**

Capital	3,234	3,234	2,684	
Capital Reserves	342	336	423	
Profit Reserves	1,412	1,366	1,372	
Minority Interest	2,430	2,416	2,453	
TOTAL LIABILITIES	**22,635**	**20,486**	**20,516**	**3**

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INCOME STATEMENT

	GPA Food			GPA Food Retail			GPA Food Cash
R$ - Million	**4Q11**	**4Q10**	**Δ%**	**4Q11**	**4Q10**	**Δ%**	**4Q11**
Gross Sales Revenue	8,028	7,276	10.3%	6,786	6,251	8.6%	1,243
Net Sales Revenue	7,206	6,536	10.3%	6,072	5,614	8.2%	1,134
Cost of Goods Sold	(5,324)	(4,844)	9.9%	(4,365)	(4,056)	7.6%	(959)
Gross Profit	1,882	1,692	11.2%	1,707	1,558	9.6%	175
Selling Expenses	(1,016)	(966)	5.2%	(916)	(872)	5.0%	(100)
General and Administrative Expenses	(216)	(200)	8.0%	(202)	(187)	8.1%	(14)
Total Operating Expenses	(1,232)	(1,166)	5.7%	(1,118)	(1,059)	5.5%	(114)
Earnings before Interest, Taxes, Depreciation, Amortization - EBITDA	650	526	23.5%	589	499	18.1%	61
Depreciation and Amortization	(180)	(105)	71.4%	(172)	(98)	75.8%	(8)
Earnings before interest and Taxes - EBIT	470	421	11.6%	417	401	4.0%	53
Financial Revenue	77	72	7.0%	71	67	7.0%	6
Financial Expenses	(223)	(208)	7.0%	(198)	(185)	7.0%	(25)
Net Financial Revenue (Expenses)	(146)	(136)	7.0%	(126)	(118)	7.0%	(19)
Equity Income	5	(20)		5	(20)		-
Result from Permanent Assets	(33)	(25)	29.9%	(33)	(25)	30.7%	0
Nonrecurring Result	(48)	(26)	83.7%	(48)	(26)		-
Other Operating Revenue (Expenses)	0	59		0	59		-
Income Before Income Tax	248	272	-8.7%	214	270	-20.6%	34
Income Tax	21	33	-35.2%	33	32	3.8%	(12)
Minority Interest - Noncontrolling	22	(13)		22	(13)		-

Net Income - Controlling Shareholders (1)	291	291	0.0%	269	289	-6.8%	22
Net Income per Share	1.12	1.13	-1.1%				
Nº of shares (million) ex-treasury shares	260	257					

% Net Sales Revenue	**GPA Food**		**GPA Food Retail**		**Cash**
	4Q11	**4Q10**	**4Q11**	**4Q10**	**4Q11**
Gross Profit	26.1%	25.9%	28.1%	27.8%	15.4%
Selling Expenses	14.1%	14.8%	15.1%	15.5%	8.8%
General and Administrative Expenses	3.0%	3.1%	3.3%	3.3%	1.2%
Total Operating Expenses	17.1%	17.8%	18.4%	18.9%	10.1%
EBITDA	9.0%	8.0%	9.7%	8.9%	5.4%
Depreciation and Amortization	2.5%	1.6%	2.8%	1.7%	0.7%
EBIT	6.5%	6.4%	6.9%	7.1%	4.7%
Net Financial Revenue (Expenses)	2.0%	2.1%	2.1%	2.1%	1.7%
Result from Permanent Assets and Others	1.1%	0.1%	1.3%	0.1%	0.0%
Income Before Income Tax	3.4%	4.2%	3.5%	4.8%	3.0%
Income Tax	0.3%	0.5%	0.5%	0.6%	1.1%
Minority Interest - noncontrolling	0.3%	0.2%	0.4%	0.2%	0.0%
Net Income - Controlling Shareholders (1)	4.0%	4.5%	4.4%	5.1%	1.9%

(1) Net Icome after Minority Interest

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INCOME STATEMENT

	GPA Food						Consolida
R$ - Million	**2011**	**2010**	**Δ%**	**4Q11**	**4Q10**	**Δ%**	**20**
Gross Sales Revenue	28,431	26,131	8.8%	15,132	12,598	20.1%	52
Net Sales Revenue	25,578	23,486	8.9%	13,371	11,034	21.2%	46
Cost of Goods Sold	(18,965)	(17,539)	8.1%	(9,630)	(8,241)	16.9%	(33,
Gross Profit	6,613	5,946	11.2%	3,741	2,793	34.0%	12
Selling Expenses	(3,921)	(3,563)	10.1%	(2,195)	(1,690)	29.8%	(7,
General and Administrative Expenses	(743)	(698)	6.4%	(450)	(374)	20.3%	(1,
Total Operating Expenses	(4,664)	(4,261)	9.4%	(2,645)	(2,064)	28.1%	(9,
Earnings before Interest, Taxes, Depreciation, Amortization - EBITDA	1,949	1,685	15.6%	1,096	728	50.5%	3
Depreciation and Amortization	(547)	(380)	44.2%	(214)	(132)	62.6%	(
Earnings before interest and Taxes - EBIT	1,402	1,306	7.3%	881	596	47.8%	2
Financial Revenue	383	297	28.9%	150	104	43.7%	
Financial Expenses	(1,024)	(705)	45.2%	(493)	(462)	6.7%	(1,
Net Financial Revenue (Expenses)	(641)	(408)	57.2%	(343)	(358)	-4.0%	(1,
Equity Income	19	22	-12.8%	10	(17)		
Result from Permanent Assets	(33)	(21)	57.7%	(51)	(25)	104.2%	
Nonrecurring Result	(99)	(105)	-5.2%	(48)	(26)	83.7%	
Other Operating Revenue (Expenses)	(0)	(11)		(15)	(22)	-34.3%	(
Income Before Income Tax	646	783	-17.4%	434	148	193.8%	
Income Tax	(31)	(131)	-76.7%	(39)	77		
Minority Interest - Noncontrolling	43	(8)		(34)	28		

Net Income - Controlling Shareholders (1)	659	643	2.4%	361	253	43.1%
Net Income per Share	2.53	2.50	1.4%	1.39	0.98	41.6%
Nº of shares (million) ex-treasury shares	260	257		260	257	

% Net Sales Revenue	**GPA Food**					**Consolida**
	2011	**2010**	**4Q11**	**4Q10**		**2**
Gross Profit	25.9%	25.3%	28.0%	25.3%		27
Selling Expenses	15.3%	15.2%	16.4%	15.3%		17
General and Administrative Expenses	2.9%	3.0%	3.4%	3.4%		3
Total Operating Expenses	18.2%	18.1%	19.8%	18.7%		20
EBITDA	7.6%	7.2%	8.2%	6.6%		6
Depreciation and Amortization	2.1%	1.6%	1.6%	1.2%		1
EBIT	5.5%	5.6%	6.6%	5.4%		5
Net Financial Revenue (Expenses)	2.5%	1.7%	2.6%	3.2%		2
Result from Permanent Assets and Others	0.5%	-0.6%	0.9%	0.7%		0
Income Before Income Tax	2.5%	3.3%	3.2%	1.3%		1
Income Tax	0.1%	0.6%	0.3%	0.7%		-0
Minority Interest - noncontrolling	0.2%	0.0%	0.3%	0.3%		0
Net Income - Controlling Shareholders (1)	2.6%	2.7%	2.7%	2.3%		1

(1) Net Icome after Minority Interest

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Statement of Cash Flow

(R$ million)	**GPA Consolidated**	
	12.31.2011	**12.31.2010**
Net Income for the Year	720	586
Adjustment for Reconciliation of Net Income		
Deferred Income Tax	(57)	32
Income of Permanent Assets Written-Off	49	74
Depreciation and Amortization	706	446
Gain from Advantageous Purchase	-	(352)
Interests and Exchange Variation	966	239
Adjustment to Present Value	22	(84)
Equity Income	(35)	(34)
Provision for Contingencies	(5)	298
Allowance for Doubtful Accounts	246	57
Share-Based Compensation	27	28
Other Assets	10	(54)
	2,649	**1,236**
Asset (Increase) Decreases		
Accounts Receivable	(1,926)	733
Inventories	(753)	(707)
Recoverable Assets	(507)	(172)
Other Assets	114	108
Marketable Securities	635	89
Related Parties	(189)	(941)
Judicial Deposits	(68)	(150)
	(2,693)	**(1,039)**

Liability (Increase) Decrease		
Suppliers	972	245
Payroll and Charges	169	(170)
Other Accounts Payable	30	90
Net Cash Generated from (Used in) Operating Activities	**1,172**	**165**

Cash Flow from Investment and Financing Activities

	GPA Consolidated	
	12.31.2011	**12.31.2010**
Acquisition of Companies	(269)	(29)
Capital Increase in Subsidiaries	(0)	-
Acquisition of Property and Equipment	(1,263)	(1,284)
Increase of Intangible Asset	(192)	(197)
Sale of Property and Equipment	98	22
Net Cash Generated from (used in) Investment Activities	**(1,625)**	**(1,487)**
Cash Flow from Financing Activities		
Increase (Decrease) of Capital	23	35
Increase in Minority Interest	-	65
Funding and Refinancing	6,918	3,981
Payments	(4,772)	(1,204)
Interest Paid	(336)	(183)
Dividend Payments	(183)	(151)
Net Cash Generated from (used in) Financing Activities	**1,649**	**2,543**
Cash and Cash Equivalents at the Beginning of the Year	3,818	2,342
Cash and Cash Equivalents at the End of the Year	4,970	3,818
Change in Cash and Cash Equivalent	**1,152**	**1,476**

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Breakdown of Gross Sales by Format										
(R$ million)	4Q11	%	4Q10	%	Δ	2011	%	2010	%	Δ
Pão de Açúcar	1,415	9.4%	1,288	10.2%	9.9%	5,205	9.9%	4,694	13.0%	10.9%
Extra Hipermercado (1)	3,803	25.1%	3,271	26.0%	16.3%	12,878	24.4%	11,648	32.2%	10.6%
Extra Supermercado	1,205	8.0%	1,333	10.6%	-9.6%	4,648	8.8%	4,856	13.4%	-4.3%
Extra Eletro	-	-	42	0.3%	-	-	-	406	1.1%	-
Assaí	1,243	8.2%	1,018	8.1%	22.1%	4,289	8.1%	3,255	9.0%	31.8%
Others Business (2)	362	2.4%	324	2.6%	11.9%	1,412	2.7%	1,273	3.5%	11.0%
GPA Food	8,028	53.1%	7,276	57.8%	10.3%	28,431	54.0%	26,131	72.3%	8.8%
Viavarejo (3)	7,103	46.9%	5,322	42.2%	33.5%	24,250	46.0%	10,013	27.7%	142.2%
GPA Consolidated	15,132	100.0%	12,598	100.0%	20.1%	52,681	100.0%	36,144	100.0%	45.8%

Breakdown of Net Sales by Format										
(R$ million)	4Q11	%	4Q10	%	Δ	2011	%	2010	%	Δ
Pão de Açúcar	1,262	9.4%	1,154	10.5%	9.3%	4,663	10.0%	4,219	13.1%	10.5%
Extra Hipermercado (1)	3,357	25.1%	2,894	26.2%	16.0%	11,400	24.5%	10,298	32.1%	10.7%
Extra Supermercado	1,094	8.2%	1,206	10.9%	-9.3%	4,215	9.0%	4,390	13.7%	-4.0%
Extra Eletro	-	-	39	0.4%	-	-	-	376	1.2%	-
Assaí	1,134	8.5%	922	8.4%	23.0%	3,902	8.4%	2,943	9.2%	32.6%
Others Business (2)	359	2.7%	320	2.9%	12.0%	1,398	3.0%	1,259	3.9%	11.0%
GPA Alimentar	7,206	53.9%	6,536	59.2%	10.3%	25,578	54.9%	23,486	73.2%	8.9%
Viavarejo (3)	6,165	46.1%	4,498	40.8%	37.1%	21,017	45.1%	8,606	26.8%	144.2%
GPA Consolidado	13,371	100.0%	11,034	100.0%	21.2%	46,594	100.0%	32,092	100.0%	45.2%

(1) Includes Mini
Mercado Extra sales.
(2) Includes Gas Station and
Drugstores sales.
(3) Includes Ponto Frio, Nova Casas
Bahia and Nova Pontocom sales.

Sales Breakdown (% of Net Sales)

	GPA Food				GPA Consolidated			
	4Q11	**4Q10**	**2011**	**2010**	**4Q11**	**4Q10**	**2011**	**2010**
Cash	53.3%	51.7%	52.7%	50.4%	40.4%	42.4%	40.7%	45.7%
Credit Card	39.4%	39.7%	40.5%	41.0%	48.7%	47.2%	48.7%	45.8%
Food Voucher	7.1%	8.3%	6.6%	8.3%	3.8%	4.5%	3.6%	5.9%
Credit	0.2%	0.3%	0.2%	0.3%	7.1%	5.9%	6.9%	2.6%
Post-Dated Checks	0.2%	0.3%	0.2%	0.3%	0.1%	0.1%	0.1%	0.2%
Payment Book	0.0%	0.0%	0.0%	0.0%	7.0%	5.8%	6.8%	2.4%

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	Stores Openings/Closings/Conversions per Format				
	12/31/2010	**09/30/2011**	**Opened**	**Closed**	**12/31/2011**
Pão de Açúcar	149	157	2	0	159
Extra Hipermercado	110	130	2	0	132
Extra Supermercado	231	203	1	0	204
Mini Mercado Extra	68	67	5	0	72
Assaí	57	59	0	0	59
Ponto Frio	506	456	3	-58	401
Casas Bahia	526	537	7	0	544
GPA Consolidated	**1,647**	**1,609**	**20**	**-58**	**1,571**
Sale Area ('000 m²)	**2,811**	**2,832**			**2,821**
Nº of employees ('000)	**145**	**149**			**149**

	Figures per Format on December, 31 2011		
	# Stores	**# Checkouts**	**Sales Area ('000 m²)**
Pão de Açúcar	159	1,741	211
Extra Hipermercado	132	4,420	841
Extra Supermercado	204	2,214	244
Mini Mercado Extra	72	234	16
Assaí	59	1,203	184
Ponto Frio	401	1,505	322

Casas Bahia	544	3,178	1,003
GPA Bricks-and-Mortar	**1,571**	**14,495**	**2,821**
Others Business	232		
Gas Station	78		
Drugstores	154		
GPA Consolidated	**1,803**	**14,495**	**2,821**

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Productivity Ratio (in R$ - Nominal Terms)

Gross Sales per m²/month

	2011	2010	Δ
Pão de Açúcar	2,169	2,038	6.4%
Extra Hipermercado	1,415	1,396	1.4%
Extra Supermercado	1,502	1,310	14.7%
Assaí	1,952	1,970	-0.9%
Ponto Frio	1,244	1,193	4.3%
GPA Consolidated	**1,535**	**1,445**	**6.2%**

Gross Sales per Employee/Month

	2011	2010	Δ
Pão de Açúcar	28,715	26,736	7.4%
Extra Hipermercado	38,692	39,710	-2.6%
Extra Supermercado	31,719	28,775	10.2%
Assaí	49,870	40,304	23.7%
Ponto Frio	35,985	39,942	-9.9%
GPA Consolidated	**36,128**	**34,911**	**3.5%**

Average Ticket - Gross Sales/Month

	2011	2010	Δ
Pão de Açúcar	40.3	36.8	9.5%
Extra Hipermercado	67.6	61.3	10.3%
Extra Supermercado	27.5	26.3	4.6%
Assaí	97.1	93.9	3.4%
Ponto Frio	527.5	438.0	20.4%

GPA Consolidated	**59.3**	**53.7**	**10.4%**

Gross Sales per Checkout/Month

	2011	2010	Δ
Pão de Açúcar	260,173	247,709	5.0%
Extra Hipermercado	252,886	253,160	-0.1%
Extra Supermercado	159,829	144,026	11.0%
Assaí	298,100	289,974	2.8%
Ponto Frio	266,121	250,485	6.2%
GPA Consolidated	**240,297**	**226,668**	**6.0%**

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1. Corporate information

Companhia Brasileira de Distribuição, directly or through its subsidiaries ("Company" or "GPA") operates in the food retailer, clothing, home appliances and other products segment through its chain of hypermarkets, supermarkets, specialized and department stores principally under the trade names "Pão de Açúcar, "Extra", "Extra Eletro", "Extra Perto", "Extra Fácil", "Assai", "Ponto Frio," "Casas Bahia," "Casas Bahia.com," "Extra.com" and "Ponto Frio.Com". The registered office is located at São Paulo, SP, Brazil.

Founded in 1948, the Company has 149 thousand employees, 1,571 stores in 18 Brazilian states and in the Federal District and a logistics infrastructure comprised of 50 warehouses located in 13 states at September 30, 2011.The Company's shares are traded on the Level 1 Corporate Governance segment of the São Paulo Stock Exchange and its shares are listed at the São Paulo and New York Stock Exchanges (ADR level III).

The Diniz Group and the Casino Group share the Company's control through their ownership of the holding company named Wilkes Participações S.A., pursuant to an agreement entered into in May 2005.

Casino Guichard Perrachon S.A. ("Casino") required against Mr. Abilio dos Santos Diniz, Ana Maria Falleiros dos Santos Diniz D´Avila, Adriana Falleiros dos Santos Diniz, João Paulo Falleiros dos Santos Diniz, Pedro Paulo Falleiros dos Santos Diniz e de Península Participações Ltda. two arbitration proceedings, one of which includes our Company's as joint defendant, under the press release of July 4, 2011.

Arbitrations were unified, the parties have indicated their part to judge in the arbitration process, and they are in confirmation phase for the choice of the President of the Arbitral Tribunal.

The terms of the arbitration are confidential.

Restructuring Globex

On December 14, 2011 the Board of Directors of the Globex Utilidades S.A. approved a formal plan for the closure of 88 stores Ponto Frio, Adminstrative Council for Economic Defense related with Ministry of Justice (“CADE”) prior approval as required by Preserve Reversibility of Operation Agreement (“APRO”). On December 31, 2011, the Company communicated parties involved (employees, store owners, trade payables, and others) and recorded a provision for closing stores in the amount of R$34,000, and R$20,000 related to the net value of fixed assets and R$ 14,000 related to other expenses related to closing. For purposes of consolidated financial statements, the rights of use related to such stores in the amount of R$ 10,416 were accrued for losses.

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2. Basis of preparation

The financial statements of the parent company and consolidated have been prepared in line with different valuation basis used in accounting estimates.

The items included in the financial statements of the parent company of each one of the Company's subsidiaries were measured by adopting the currency of the main economic scenario where the subsidiary operates ("functional currency").

The financial statements of the parent company and the consolidated financial statements are stated in Brazilian Reais, which is the functional and reporting currency of the Company and its subsidiaries.

The financial statements for the year ended December 31, 2011 was approved by the Board of Directors at February 16, 2012.

The parent company and consolidated financial statements were prepared and are reported according to the accounting practices adopted in Brazil, which include standards issued by the Brazilian Securities and Exchange Commission (CVM) and pronouncements issued by the Brazilian Accounting Pronouncements Committee (CPC), in compliance with the international financial reporting standards (IFRS) issued by International Accounting Standard Board ("IASB").

In the individual financial statements, the investments in subsidiary are stated by the equity method, while for the purposes of international accounting standards issued by the International Accounting Standard Board ("IASB"), these would be stated at cost or fair value.

However, there are no differences between shareholders' equity and consolidated result reported by the Company, shareholders' equity and results of controlling entity in its individual financial statements.

For a better presentation and comparability, certain balances of December 31, 2010 were reclassified.

Non financial data included in these financial statements, such as number of employees, number of stores, among others, were not subject to review by our independent auditors.

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3. Basis for consolidation

a) Interest in subsidiaries, associates and joint ventures:

	Interest in investees - %			
	12.31.2011		12.31.2010	
Holdings	CBD	Other	CBD	Other
Subsidiaries:				
Novasoc Comercial Ltda.	**10.00**	**-**	10.00	-
Sé Supermercado Ltda.	**93.10**	**0.69**	93.10	0.69
Sendas Distribuidora S.A.	**18.33**	**76.04**	14.86	39.63
PAFIDC	**9.04**	**1.06**	9.58	1.12
PA Publicidade Ltda.	**100.00**	**-**	99.99	0.01
Barcelona Comércio Varejista e Atacadista S.A.	**-**	**93.79**	-	93.79
CBD Holland B.V.	**100.00**	**-**	100.00	-
CBD Panamá Trading Corp.	**-**	**100.00**	-	100.00
Xantocarpa Participações Ltda.	**-**	**94.36**	-	54.49
Vedra Empreend. e Participações S.A.	**99.99**	**0.01**	99.99	0.01
Bellamar Empreend. e Participações Ltda.	**-**	**93.10**	0.01	93.09

Vancouver Empreend. e Participações Ltda.	**100.00**	**-**	100.00	-
Bruxellas Empreend. e Participações S.A.	**99.99**	**0.01**	99.99	0.01
Monte Tardeli Empreendimentos e Participações S.A.	**99.00**	**1.00**	99.00	1.00
GPA Malls & Properties Gestão de Ativos e Srvs. Imob. Ltda.	**89.42**	**9.85**	99.90	0.10
GPA 2 Empreed. e Participações Ltda.	**99.90**	**0.10**	99.90	0.10
GPA 4 Empreend. e Participações S.A.	**99.00**	**1.00**	99.00	1.00
GPA 5 Empreend. e Participações S.A.	**99.00**	**1.00**	99.00	1.00
GPA 6 Empreend. e Participações Ltda.	**99.90**	**0.10**	99.90	0.10
ECQD Participações Ltda.	**100.00**	**-**	100.00	-
API SPE Planej. e Desenv. de Empreed. Imobiliários Ltda.	**100.00**	**-**	100.00	-
Lake Niassa Empreend. e Participações Ltda.	**-**	**52.41**	-	52.41
Globex Utilidades S.A.	**52.41**	**-**	52.41	-
Globex Adm e Serviços Ltda.	**-**	**52.41**	-	52.41
Nova Casa Bahia S.A.	**-**	**52.41**	-	52.41
Ponto Frio Adm e Importação de Bens Ltda.	**-**	**52.40**	-	52.40
Rio Expresso Com. Atacad. de Eletrodoméstico Ltda.	**-**	**52.41**	-	52.41
Globex Adm. Consórcio Ltda.	**-**	**52.41**	-	52.41
PontoCred Negócio de Varejo Ltda.	**-**	**52.15**	-	52.15
Nova Extra Eletro Comercial Ltda.	**0.10**	**52.36**	0.10	52.36
Nova Pontocom Comércio Eletrônico S.A.	**39.05**	**31.11**	39.05	31.11
E-HubConsult. Particip. e Com. S.A.	**-**	**70.16**	-	70.16
Nova Experiência Pontocom S.A.	**-**	**70.16**	99.99	0.01
Sabará S.A.	**-**	**52.41**	-	52.41
Casas Bahia Contact Center Ltda.	**-**	**52.41**	-	52.41
Globex – Fundo de Investimento em Direitos Creditórios	**-**	**7.86**	-	6.55
-Ponto Frio Leasing S.A.	**-**	**26.21**	-	26.21
Associates and Joint Ventures:				
Financeira Itaú CBD – FIC	**-**	**40.76**	-	40.76
Indústria de Móveis Bartira Ltda.	**-**	**13.10**	-	13.10
Dunnhumby Brasil Cons. Ltda.	**2.00**	**-**	2.00	-
Banco Investcred Unibanco S.A.	**-**	**26.21**	-	26.21
FIC Promotora de Vendas Ltda.	**-**	**40.76**	-	40.76

All interest in subsidiaries, associates and joint ventures were calculated considering the percentage held by the CBD parent or its subsidiaries. The consolidation not necessarily reflect these percentages, as some companies have shareholders’ agreement that allows the consolidation of 100%.

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3. Basis for consolidation -- Continued

b) Subsidiaries

The consolidated financial statements include the financial statements of all subsidiaries over which the parent company exercises control either directly or indirectly.

Subsidiaries are all entities (including special purpose entities) over which the Company has the power to govern the financial and operating policies and generally holds shares of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control. They are de-consolidated from the date that control ceases.

The financial statements of the subsidiaries are prepared on the same closing date as those of the parent company, using consistent accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

Gains or losses resulting from changes in equity interest in subsidiaries, not resulting in loss of control are directly recorded in shareholders' equity.

Losses are attributed to the non-controlling interest, even if it results in a deficit balance.

The primary direct or indirect subsidiaries, included in the consolidation and the percentage of the company's interest comprise:

i. Novasoc

Although the Company's interest in Novasoc Comercial Ltda. ("Novasoc") represents 10% of its shares, Novasoc is included in the consolidated financial statements as the Company controls 99.98% of the Novasoc's voting rights, pursuant to the shareholders' agreement. Moreover, under the Novasoc shareholders' agreement, the appropriation of its net income does not require to be proportional to the shares of interest held in the company.

ii. PAFIDC and Globex FIDC

The Company consolidates the financial statements of Pão de Açúcar Fundo de Investimentos em Direitos Creditórios ("PAFIDC") and Globex Fundo de Investimentos em Direitos Creditórios ("Globex FIDC"), investments funds established for the purpose of conducting the securitization of receivables of the Company and its subsidiaries. The consolidation is justified by the fact that the default risks, custody and administration expenses related to the fund are linked to subordinated shares owned by the Company and its subsidiaries.

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3. Basis for consolidation -- Continued

b) Subsidiaries -- Continued

iii. Globex

The Company consolidates the financial statements of Globex, a subsidiary that concentrates the Group's electric and electronic products, operating under the banners "Ponto Frio", and since November 2010, "Casas Bahia". The Company also operates -through its controlled entity Nova Pontocom Comércio Eletronico S.A, in e-commerce of any product for the consumer by the websites: *www.extra.com.br*, *www.pontofrio.com* and *www.casabahia.com.br*.

iv. Sendas

The Company directly or indirectly holds 100% of Sendas Distribuidora's capital, its subsidiary, which operates in retail trade segment, mainly in the State of Rio de Janeiro. For further information on the acquisition of non-controlling interest, see Note 15 (a ii).

v. GPA Malls

In 2011, Companhia Brasileira de Distribuição ("CBD") began organizing a subsidiary, GPA Malls & Properties Gestão de Ativos e Serviços Imobiliários Ltda. ("GPA M&P"), for the purpose of managing and capitalizing on its real estate assets. Through the subsidiary GPA1 Empreendimentos e Participações Ltda, which prior to that time had been dormant, on December 6, 2011, CBD, as the sole partner in GPA1 Empreendimentos e Participações Ltda., approved changes to the corporate bylaws that included, among other points, changing the name to GPA Malls & Properties Gestão de Ativos e Serviços Imobiliários Ltda. and updating its corporate objective to match its purpose.

Prior to that event, CBD entered into 3 (three) private property swap agreements with different developers, all subject to certain conditions. Consequently, CBD and its subsidiary Sé Supermercados Ltda. transferred 2 (two) through a barter transaction properties valued at R$ 14,000, and R$ 1,656, to GPA M&P, as a capital increase, on May 18, 2011 and July 5, 2011, respectively. GPA M&P's capital is thus distributed among CBD, with 89.42%, and Sé Supermercados Ltda., which holds 10.58%.

Regarding the barter transaction referenced above, on December 6, 2011, we announced that GPA M&P had signed a Barter Agreement with Cyrela Polinésia Empreendimento Imobiliários Ltda. ("Cyrela") pursuant to the exchange of the property belonging to GPA M&P in exchange for 24.2% of the sales area of the completed real estate development and a retail store to be built by Cyrela on the site. Regarding that real estate project, we would point out the following:

(i) The name of the real estate development is THERA FARIA LIMA | PINHEIROS;

(ii) The objective of the development is to establish a condominium building, composed of 3 (three) sectors: (a) the "THERA RESIDENCE" residential sector, a 36 (thirty-six) floor building with 397 (three hundred ninety-seven) apartments; (b) the "THERA OFFICE" commercial sector, consisting of a 30 (thirty) floor building with 575 (five hundred seventy-five) offices; and (c) the retail sector, which will house 1 (one) store located on the ground floor;

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3. Basis for consolidation -- Continued

v. GPA Malls -- Continued

(iii) The term for project completion and delivery of the exchanged units is 52 (fifty-two) months from the development sales launch date (that occurred at December 18, 2011);

(iv) Cyrela is solely and exclusively responsible for execution of the real estate development, as well as for the sale of the independent units, except for the store;

(v) The barter between Cyrela and GPA M&P is not intended to establish a civil or commercial partnership or association between the companies;

(vi) Cyrela will be solely and exclusively responsible for all costs, including approval costs, stemming from potential modifications to the original project design; and

(vii) Cyrela is exclusively responsible for approval of the construction design plan and for all other plans necessary for the development of the real estate project.

c) Associates – BINV and FIC

The Company's investments in its associates FIC and BINV, both entities that finance sales directly to GPA customers are result of an association between Banco Itaú Unibanco with GPA and Globex. Such investments are accounted for using the equity method. An associate is an entity in which the Company has significant influence, but not the control.

Prevailing decisions related to the operational and financial management of BINV and FIC belongs to Banco Itaú – Unibanco S.A. (Itaú-Unibanco).

Under the equity method, the investment in the associate is carried in the statement also reflecting changes in the Company's share of net assets of the associate following the acquisition.

The statement of income reflects the share of the results of operations of the associate. Where there has been a change recognized directly in the shareholders' equity of the associate, the Company recognizes its share of any changes and discloses this, when applicable, in the statement of changes in shareholders' equity. Unrealized gains and losses resulting from transactions between the Company and the associate are eliminated to the extent of the interest in the associate.

The share of profit of associates is shown on the face of the statement of income as equity pickup results, corresponding to the profit attributable to equity holders of the associate and therefore is profit after tax and non-controlling interests in the subsidiaries of the associates. The financial statements of the associates are prepared for the same closing date as the parent company.

Where necessary, adjustments are made to bring the accounting policies in line with those of the Company.

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3. **Basis for consolidation** – Continued

c) Associates – BINV and FIC – Continued

After application of the equity method, the Company determines whether it is necessary to recognize an additional loss due to non-recoverability on the Company's investment in its associates. The Company determines at each balance date whether there is any evidence that the investment in the associate will not be recoverable. If applicable, the Company calculates the impairment amount as the difference between the investment recoverable value of the associate and its carrying amount and recognizes the loss in the statement of income.

Upon loss of significant influence over the associate, the Company measures and recognizes any remaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the remaining investment and proceeds from write-off are recognized in the statement of income for the year.

d) Interest in joint venture – Bartira

The Company maintains an indirect interest joint venture named Indústria de Móveis Bartira Ltda. (“Bartira”), in which the participants (GPA through its subsidiary Nova Casa Bahia S.A. (“NCB”), with 25% and Klein family through Casa Bahia Comercial Ltda. with 75%) entered into a partnership agreement setting forth the joint control over the entity’s operational activities.

The partnership agreement requires the unanimous resolution of participants in the financial and operational decision-making process. The Company recognizes its interest in the joint venture using the proportional consolidation method. In addition, it combines the proportional amount of each asset, liabilities, income and expenses of joint venture with similar items– line by line – in its consolidated financial statements. The joint venture financial statements are prepared for the same period adopted by the Company.

Follows below the main lines of condensed financial statement of the entity jointly controlled by the Company:

	12.31.2011	**12.31.2010**
Current assets	**130,564**	109,120
Noncurrent assets	**60,258**	64,836
Total assets	**190,822**	173,956
Current liabilities	**87,216**	80,288
Noncurrent liabilities	**1,177**	5,858
Shareholders’ equity	**102,429**	87,810
Total liabilities and shareholders’ equity	**190,822**	173,956
Resulted (i)		
Net sales and services	**473,838**	71,188
Net (loss) before income tax	**23,387**	(2,528)
Net Income (loss) for the year	**14,619**	(1,880)

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(i) The amount presented on December 31, 2010 include the profit and loss of two months.

4. Main accounting practices

a) Financial instruments

Financial instruments are recognized as of the date on which the Company enters into the contract. When recognized, these are recorded at their fair value plus the transaction costs that are directly attributable to their acquisition or issuance. Their subsequent measurement occurs every balance sheet date according to the rules established for each type of financial asset and liability.

(i) Financial assets

Initial recognition and measurement

Financial assets held by the Company within the scope of CPC 38 (IAS 39), are classified as financial assets measured at their fair value through income statement, loans, receivables and derivatives financial instruments designated as hedge instruments and investments held to maturity. The Company determines the classification of its financial assets at initial recognition.

All financial assets are recognized initially at fair value, and in the case of investments not at fair value through income statement, plus directly attributable transaction costs.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (negotiations under regular conditions) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include cash and cash equivalents, trade receivables, related party receivables, escrow deposits and derivatives financial instruments.

Subsequent measurement

Assets are classified among categories mentioned below, according to the purpose to which they were acquired or issued:

- Financial assets at fair value through profit or loss: are measured at their fair value at each balance sheet date. Interest rates, monetary restatement, exchange variation and variations deriving from the valuation at fair value are recognized in the statement of income for the period when incurred as financial revenues or expenses. The financial assets are classified as financial assets by the fair value in the income if acquired for the purpose of selling or repurchasing in the near term. Financial assets measured by fair value through income statement are recorded at fair value through income statement, with changes recognized in financial income or financial expense. Cash and cash equivalents balances held by the Company are classified into this category.

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4. Significant accounting policies -- Continued

a) Financial instruments -- Continued

(i) Financial assets -- Continued

Subsequent measurement -- Continued

- Loans and receivables: these are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After the initial recognition, these are measured using amortized cost through the effective interest rate method. Interest income, monetary restatement, exchange variation, less impairment losses, where applicable, are recognized in the income statement when incurred as financial revenues or expenses.

- Assets and liabilities held to maturity: are financial assets and liabilities which cannot be classified as loans and receivables, for being marketable in the active market. In this case, these financial assets are acquired with the intention and financial capacity to their maintenance in the Company portfolio until maturity. They are measured at acquisition cost, plus monetary restatement through income, using the effective interest rate.

Derecognition of financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired; and

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full to a third party under a “pass-through” arrangement; and either (a) the Company has transferred substantially all the risks and benefits related to the asset, or (b) the Company has neither transferred nor retained substantially all the risks and benefits related to the asset, but has transferred its control.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and benefits related to the asset nor transferred control of the asset, the asset is recognized to the extent of the Company’s continuing involvement in the asset.

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4. Significant accounting policies -- Continued

a) Financial instruments -- Continued

(i) Financial assets -- Continued

Derecognition of financial assets - Continued

In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations retained by the Company.

Financial assets of impairment

On the balance sheets dates, the Company verifies if there is any sign of impairment of an asset or group of financial assets. The impairment of an asset or group of financial assets is only considered if there are objective pieces of evidence resulting from one or more events occurred after the asset initial recognition ("loss event"), and if said event affects the estimated future cash flows of asset or group of financial assets, which can be safely estimated. The evidence of impairment may include signs that debtors (or group of debtors) are going through relevant financial constraints, moratorium or default in the amortization of interest or principal, probability of filing for bankruptcy or another type of financial reorganization and when these data point a measurable drop in future cash flows, such as, default interest variations or economic conditions related to defaults.

The loss amount is measured as the difference between the carrying amount of asset and the present value of the estimated future cash flows (excluding future credit losses not incurred) discounted by the original effective interest rate of the financial asset. The asset’s carrying amount decreases when provision is used and the loss is recognized in the income statement. Interest income is recorded in the financial statements as part of the financial income.

If, in subsequent period, the impairment decreases and this reduction can be objectively associated with an event occurred after the recognition of the provision (such as an improved debtor’s credit rating), the reversal of impairment previously recognized is recognized in the consolidated statement of income. If the write-off is later recovered, this recovery is also recognized in the statement of income.

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4. Significant accounting policies -- Continued

a) Financial instruments -- Continued

(i) Financial assets -- Continued

Held-to-maturity financial assets

Referring to the held-to-maturity financial assets, the Company firstly verifies if there is objective evidence of impairment individually for the financial assets which are individually relevant or collectively for the assets, which individually, are not relevant. If the Company determines the non-existence of objective evidence of impairment of a financial asset evaluated on an individual basis, whether or not this loss is material, the Company classifies it into a group of financial assets with similar credit risk characteristics, which are evaluated collectively. The assets evaluated on an individual basis as to impairment or to which the impairment is (or still is) recognized are not included in the overall losses evaluation.

In the event of objective evidence of impairment, the corresponding loss amount is calculated as the difference between the carrying amount of assets and the present value of estimated cash flows (excluding estimated credit losses and not incurred yet). The present value of estimated cash flows is discounted at the financial assets original interest rate. If a financial asset bears variable interest rates, the discount to measure eventual impairment will be the interest rate effective at the present date.

The asset’s carrying amount of the asset is reduced through an allowance and the amount of the loss is recognized in the statement of income for the year. The financial income is still accumulated over the carrying amount less the interest rate used to discount the future cash flows in order to measure the impairment. In addition, the interest income is recorded as part of the financial result in the statement of income for the year. Loans and receivables, together with respective provisions, are written off when there is no real prospect of future recovery and all guarantees have been realized or transferred to the Company. If in the subsequent year, the amount of estimated loss of recoverable value suffers any variation due to an event occurred after its recognition, an adjustment is made in the allowance account. If a write-off is later recovered, it is recorded a revenue to financial results in the statement of income for the year.

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4. **Significant accounting policies --** Continued

a) Financial instruments -- Continued

(i) Financial assets -- Continued

Trade accounts receivable

Trade accounts receivable are non-derivative financial assets with fixed payments or that may be calculated, without quote on the active market. After initial measurement, these financial assets are subsequently measured at the amortized cost according to the effective interest rate method ("TEJ"), less impairment. The amortized cost is calculated taking into account eventual discounts or premiums over the acquisition and tariffs or costs composing the TEJ. The TEJ amortization is included in the net financial result under the statement of income for the year. Impairment expenses are recognized in the statement of income for the year.

The Company securitizes its accounts receivable through special purpose entities, the PAFIDC and Globex FIDC. (See Note 11).

Accounts receivable deriving from business agreements are related to cash considerations received from trade payables, contractually established and calculated over purchase volumes, marketing actions, freight cost reimbursements, etc.

(ii) Financial liabilities

The financial liabilities under the scope of CPC 38 (IAS 39) are classified as loans or borrowing or derivatives financial instruments designated as hedge instruments in an effective hedge relationship, where applicable. The Company defines the classification of the financial assets and liabilities in the initial recognition.

All financial liabilities are recognized initially at fair value, and in the case of loans and borrowing, plus directly attributable transaction cost.

The Company's financial liabilities include trade and other payables, bank overdraft accounts, loans and borrowings, debentures and derivative financial instruments.

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4. **Significant accounting policies --** Continued

a) Financial instruments -- Continued

(ii) Financial liabilities -- Continued

Subsequent measurement

The measurement depends on the classification of liabilities as follows:

• Loans and borrowings: After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the statement of income for the year when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the income statement.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and stated net in the financial statement only if recognized amounts can be offset and if there is an intention of settling them on a net basis or realize the assets and settle the liabilities simultaneously.

The Note 20 contains an analysis of the financial instruments' fair value and further details on how these are measured.

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4. Significant accounting policies -- Continued

a) Financial instruments -- Continued

(ii) Financial liabilities -- Continued

Put options granted to non-controlling shareholders

The classification of equity instruments issued by the Company in equity or debt depends on each instrument's specific characteristics. An instrument is deemed to be an equity instrument when the following two conditions are met: (i) the instrument does not contain a contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity; and (ii) in the case of a contract that will or may be settled in the Company's own debt instruments, it is either a non-derivative that does not include a contractual obligation to deliver a variable number of the Company's own equity instruments, or a derivative that should be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments.

Accordingly, instruments that are redeemable at the Company's discretion and for which the remuneration depends on the payment of a dividend are classified in shareholders' equity.

When the Company has a present ownership interest in the shares subject to an option agreement, no non-controlling interest is recorded and the shares subject to the instrument are accounted for as own shares. The Company's policy is to treat any liability associated with the instrument as a liability under CPC 15 (IFRS 3) with changes recognized as contingent consideration against goodwill. Changes to the liability related to the passage of time such as the unwinding of a discount rate or monetary restatement are recognized as financial expense.

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4. Significant accounting policies -- Continued

a) Financial instruments -- Continued

(ii) Financial liabilities -- Continued

Reclassification of debt and equity instruments

In order to reclassify debt and equity instrument, the Company shall record them as follows:

• reclassify an equity instrument (shareholders' equity) as debt instrument (financial liability) as of the date the instrument no longer shows all its characteristics and conditions necessary to support its recognition. The financial liability shall be measured by fair value of instrument on the reclassification date. The Company shall recognize in shareholders' equity any difference between the carrying amount of equity instrument and the fair value of financial liability on the reclassification date; and

- reclassify a debt instrument as equity instrument (shareholders' equity) as of the date it shows all the characteristics and meets all the conditions related to its recognition, as set forth by CPC 39 (IAS 32). The equity instrument shall be measured by carrying amount of debt instrument on the reclassification date.

b) Hedge accounting

The Company uses derivative financial instruments such as, interest rate swaps and exchange variation. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in fair value on derivatives are taken directly to income statement.

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4. Significant accounting policies -- Continued

b) Hedge accounting -- Continued

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting, and its risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine if they actually have been highly effective throughout the periods of the financial reports for which they were designated.

For the purposes of hedge accounting, hedges are classified as fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability.

Hedges which meet the criteria for hedge accounting are accounted, for the transactions held by the Company, as fair value hedges, adopting the following procedures:

- The change in the fair value of a derivative financial instrument classified as interest rate hedging is recognized as financial result. The change in the fair value of the hedged item is recorded as a part of the carrying amount of the hedged item and is recognized in the income statement for the year;

- For fair value hedges relating to items carried at amortized cost, the adjustment to carrying amount is amortized in the income statement over the remaining term to maturity. Effective interest rate amortization may begin as soon as an adjustment exists and shall begin no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged; and

- If the hedge item is derecognized, the unamortized fair value is recognized immediately in the income statement.

4. Significant accounting policies -- Continued

c) Cash and cash equivalents

In accordance with CPC 03 (IAS 7), cash and cash equivalents consist of cash, investments that are short-term, highly liquid, readily convertible to known amounts of cash and subject to an insignificant risk of changes in value with intention and possibility of rescued in short term. Bank overdrafts are included within current liabilities in the financial statement.

d) Inventories

Inventories are carried at the lower of cost or net realizable value. The cost of inventories purchased is recorded at average cost, including warehouse and handling costs, to the extent these costs are necessary so that make inventories available for sale in the Company's stores.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

Inventories are also reduced by an allowance for losses and breakage, which are periodically reviewed and evaluated as to it is adequacy.

e) Present value adjustment of assets and liabilities

Current monetary assets and liabilities, when relevant, and noncurrent assets and liabilities, are adjusted to their present value. The present value adjustment is calculated taking into account contractual cash flows and the respective explicit or implied interest rates.

Embedded interest rates on revenues, expenses and costs associated with said assets and liabilities are adjusted to the appropriate recognition in conformity with the accrual basis of accounting. The present value adjustment is recorded in those items, subject to the application of rule and “financial result” as corresponding entry.

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4. Significant accounting policies -- Continued

f) Impairment of non-financial assets

The impairment test intends to provide the actual net realizable value of asset. This realizable can be directly or indirectly, respectively, by sale or by the cash-generation through the asset's use in the Company's activities.

Annually the Company assesses the impairment test in their tangible or intangible assets or when there is any internal or external evidence that the asset may have a loss of recoverable amount.

An asset's recoverable amount is the highest between the asset's fair value or the value in use of its cash-generating units (CGU), unless the asset does not generate cash inflows that are largely independent from cash inflows of other assets or groups of assets.

Where the carrying amount of an assets or CGU exceeds its recoverable amount, the asset is considered non-recoverable and is written down to its recoverable amount. In assessing the recoverable amount, the estimated future cash flows are discounted to their present value, "except to impairment test of deferred taxes", using a pre-tax discount, which represents the Company's cost of capital ("WACC"), before taxes, that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses are recognized in the statement of income in those expense categories consistent with the function of the impaired asset. A previously recognized impairment loss is reversed, “except to the goodwill that cannot be reverted in future period”, if has been a change in the assumptions used to determine the asset’s recoverable amount in its mostly recent initial recognition.

In the future period the asset has increased its value after a new assessment of impairment, there will be need for reversal the provision initially established, "except to the impairment of goodwill that once established, can no longer be reversed”. This reversal is limited on initial recognition at cost, net of accumulated depreciation and/or amortization. Such reversal is recognized in the income for the year.

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4. Significant accounting policies -- Continued

g) Property and equipment

Property and equipment is stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such amount includes the cost of replacing a component of the equipment and borrowing costs for long term construction projects if the recognition criteria are met. When significant components of property and equipment are replaced, the Company recognizes such components as individual assets with specific useful lives and depreciation. Likewise, when a major replacement is performed, its cost is recognized in the carrying amount of the equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the income statement as incurred.

Assets category	**Annual depreciation rate %**
Buildings	2.50%
Improvements	4.20%
Data processing equipment	10.00 to 50.00%
Facilities	4.20 to 10.00%
Furniture and fixtures	8.30 to 33.30%
Vehicles	20.00%
Machinery and equipment	2.80 to 50.00%

Items of property and equipment and any significant part are derecognized when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the assets (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement.

h) Borrowing Costs

In accordance with CPC08 - Transaction Costs and Premium on the Issuance of Debt and Equity, borrowing costs directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use or sale (qualifying asset) are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the year that they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

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4. Significant accounting policies -- Continued

i) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized software development costs, are not capitalized and the expenditure is reflected in the statement of income for the year when incurred.

Intangible assets consist mainly of purchased software acquired from third parties, software developed for internal use and commercial rights (stores' right to use), list of customers, profitable lease agreements, profitable supply agreements of furniture and trade names.

Intangible assets with definite useful lives are amortized by the straight-line method. Assets with definite useful lives represented by profitable lease agreement and profitable supply agreement of furniture are amortized according to the economic benefits raised by agreements and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and method are reviewed, at least, at the end of each year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting assumptions. The amortization expense on intangible assets with definite useful lives is recognized in the income statement for the year in the corresponding category consistent with the function of the intangible asset.

Software development costs recognized as assets are amortized over their estimated useful lives, which is 10 years.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment at each year-end or whenever there is an indication that their carrying amount cannot be recovered, either individually or at the cash generating unit level. The assessment is reviewed annually to determine whether the indefinite useful life continues to be valid. If not, the change in useful life from the indefinite to definite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset, being recognized in the income statement for the year.

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4. Significant accounting policies -- Continued

j) Classification of assets and liabilities as current and non-current

Assets (excluding deferred income and social contribution tax) that are expected to be realized in or are intended for sale or consumption within twelve months after the balance sheet date, are classified as current assets. Liabilities (excluding deferred income and social contribution tax) that are expected to be settled within twelve months as of the balance sheet date are classified as current. All others assets and liabilities (including deferred taxes) are classified as “noncurrent”.

All deferred tax assets and liabilities are classified as noncurrent assets or liabilities, net by consolidated entity.

k) Leasing

The determination of whether an arrangement is, or contains leasing, is based on the substance of the arrangement at inception date: whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Company as a lessee

Financial lease agreements, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are allocated between finance charges and reduction of leasing liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in the income statement.

Leased assets are depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shortest of the estimated useful life of the asset and the lease term.

Lease agreements are classified as operating leasing when there is no transfer of risk and benefits incidental to ownership of the leased item.

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4. Significant accounting policies -- Continued

k) Leasing – Continued

Company as a lessee - Continued

The installment payments of leasing (excluding costs of services, such as insurance and maintenance) classified as operating lease agreements are recognized as expenses, according to their accrual basis, during the lease term.

Company as a lessor

Lease agreements where the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating lease. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the agreement term on the same bases as rental income.

Contingent rents are recognized as revenue in the period in which they are earned.

l) Provisions

Provisions are recognized when the Company has a present obligation (legal or not formalized) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement, net of any reimbursement.

m) Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability at the year-end, based on the minimum mandatory dividends established by the statutory law. Any amount above of that amount is only recorded at the date on which such incremental dividends are approved by the Company's shareholders.

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4. Significant accounting policies -- Continued

n) Prepaid Revenue

The prepaid revenue are recognized by the Company through the anticipation of amounts received from business partners for exclusivity intermediation service of additional or extended guarantees and recognized in income by the evidence service in the sale of these guarantees with the business partners.

o) Shareholders' equity

Common and preferred shares are classified as shareholders' equity.

When any related party purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs is deducted from capital of Company's shareholders until the shares are cancelled or reissued. When such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs, is included in capital to the Company's shareholders. No gain or loss is recognized on the purchase, sale, issuance or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration is recognized in other capital reserves.

p) Share-based payment

Employees (including senior executives) of the Company receive remuneration in the form of share-based payment, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

In situations where equity instruments are issued and some of the goods or services received by the Company as a counter-provision can not be specifically identified, the identified goods or services not received (or to be received) are measured as the difference between the fair value of operation of share-based payment and the fair value of any identifiable goods or services received at the grant date. Then, the value is capitalized or released as expense, as appropriate.

Equity-settled transactions

When any related party purchase the Company's shares (treasury shares), the consideration paid including any directly attributable cost is deducted from equity until the shares are canceled or reissued. When such shares are subsequently reissued, any consideration paid, net of costs attributable transaction are included in equity. No gain or loss recognized in the purchase or sales issue or cancellation of equity instruments. Any difference between book value and the consideration paid is recorded as capital reserve.

The cost of equity-settled transactions is recognized, together with a corresponding increase in shareholders' equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity instruments at each reporting date until the vesting date, reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments to be acquired.

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4. Significant accounting policies -- Continued

p) Share-based payment -- Continued

Equity-settled transactions -- Continued

The expense or income for a period represents the movement in cumulative expense recognized as at the beginning and end of that period. No expense is recognized for services that will not complete its acquisition period, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where an equity instrument is modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity instrument is cancelled, it is treated as if it totally vested on the date of cancellation, and any expense not yet recognized for the premium, recognized immediately in the income statement. This includes any premium where non-vesting conditions within the control of either the Company or the employee are not met. However, if the cancelled plan is replaced by another plan and designated as a replacement grants on the date that it is granted, the cancelled grant and new plan are treated as if they were a modification of the original grant, as described in the previous paragraph. All cancellations of equity-settled transaction are treated equally.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (See Note 26).

q) Earnings per share

Basic earnings per share are calculated based on the weighted average number of shares of each category outstanding during the period, excluding shares issued in payment of dividends and treasury shares.

Diluted earnings per share are calculated by the treasury stock method, as follows:

- *numerator:* earnings for the year; and
- *denominator:* the number of shares of each category is adjusted to include potential shares corresponding to dilutive instruments (stock options), less the number of shares that could be bought back at market, if applicable.

Equity instruments that will or may be settled in Company's shares are included in the calculation only when their settlement would have a dilutive impact on earnings per share.

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4. Significant accounting policies -- Continued

r) Determination of net income

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and sales taxes or duty. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements, except for those referring to extended warranty and insurance policy brokerage. Specifically in this case, the Company operates as an agent, and revenue is recognized on a net basis, which reflects the commission received from insurance companies. The following specific recognition criteria must also be met before revenue is recognized:

(i) Revenue

a) Sales of goods

Revenues are recognized at the fair value of the consideration received or receivable for the sale of goods and service. Revenues from the sale of products are recognized when their value can be measured reliably, all risks and benefits inherent to the product are transferred to the buyer, the Company no longer has the control or responsibility over the goods sold and the economic benefits generated to the Company are probable. Revenues are not recognized if their realization is uncertain.

b) Interest income

For all financial instruments measured at amortized cost, interest income or expense is recorded using the effective interest rate, which is the rate that discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in the financial result under the statement of income.

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4. Significant accounting policies -- Continued

r) Determination of net income -- Continued

(ii) Gross profit

Gross profit corresponds to the difference between net sales and the cost of goods sold. The cost of goods sold comprises the cost of purchases net of discounts and bonuses received from trade payables, changes in inventory and logistics costs.

Bonus received from trade payables is measured based on contracts and agreements signed with trade payables.

Cost of sales includes the cost of logistics operations managed or outsourced by the Company, comprising warehousing, handling and freight costs incurred until the availability of goods for sale. Transport costs are included in the acquisition costs.

(iii) Selling expenses

Selling expenses consist of all store expenses, such as salaries, marketing, occupancy, maintenance, etc.

(iv) General and administrative expenses

General and administrative expenses correspond to overheads and the cost of corporate units, including the purchasing and procurement, IT and finance functions.

(v) Other operating expenses, net

Other operating income and expense correspond to the effects of major events occurring during the period that do not meet the Company's definition for the other income statement lines.

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4. Significant accounting policies -- Continued

r) Determination of net income -- Continued

(vi) Financial result

Finance expenses include, substantially, all expenses generated by net debt and the receivables securitization during the period offset by capitalized interest, losses related to the measurement of derivatives at fair value, losses on disposals of financial assets, finance charges on lawsuits and taxes interest charges on financial lease, and discounting adjustments.

Finance income includes income generated by cash and cash equivalents and escrow deposits, gains related to the measurement of derivatives at fair value, purchase discounts obtained from trade payables, and revenues referring to discounts.

s) Taxation

Current income and social contribution taxes

Current income and social contribution tax assets and liabilities, for the current and prior periods, are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the tax are those that are enacted or substantially enacted, at the balance sheet dates.

The taxation on income comprises the Corporate Income Tax (“IRPJ”) and Social Contribution on Net Income (“CSLL”), being calculated based on taxable income (adjusted income), at rates applicable in the prevailing laws – 15% over taxable income and 10% surcharge over the amount exceeding R$ 240 in taxable income yearly for IRPJ and 9% for CSLL.

Deferred income and social contribution taxes

Deferred income and social contribution taxes are generated by temporary differences at the balance sheet date, between the tax basis of assets and liabilities and their carrying amounts.

Deferred income tax and social contribution tax assets are recognized for all deductible temporary differences, and unused tax losses, to the extent that it is probable that taxable profit will be available against which to deduct the temporary differences and unused tax credits and losses except where the deferred income and social contribution tax assets relating to the deductible temporary difference arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor tax profit or loss.

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4. Significant accounting policies – Continued

s) Taxation - Continued

Deferred income and social contribution taxes - Continued

Deferred income and social contribution taxes liabilities referring to all temporary taxable differences, except when the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in an operation, rather than a business combination and, at the time of the operation, affects neither the accounting net profit nor taxable loss.

With respect to deductible temporary differences associated with investments in subsidiaries and associates, deferred income and social contribution taxes are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income and social contribution tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income and social contribution taxes to be utilized. Unrecognized deferred income and social contribution tax assets are reassessed at the balance sheet date and are recognized to the extent that it has become probable that future taxable profits will allow these assets to be recovered.

Deferred income and social contribution tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet dates.

Deferred taxes related to items directly recognized in shareholders' equity are also recognized in shareholders' equity and not in the income statement.

Deferred income and social contribution tax assets and liabilities are offset if there is a legal or contractual right to offset the tax assets against the income tax liabilities and deferred taxes refer to the same taxpayer company and to the same tax authority.

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4. Significant accounting policies – Continued

s) Taxation - Continued

Other taxes

Revenues from sales and services are subject to taxation by State Value-Added Tax (“ICMS”), Services Tax (“ISS”), Social Contribution Tax on Gross Revenue for the Social Integration Program (“PIS”) and Social Contribution Tax on Gross Revenue for Social Security Financing (“COFINS”) at rates prevailing in each region and are presented as deductions from sales in the income statement.

The amounts recoverable derived from non-cumulative ICMS, PIS and COFINS are deducted from cost of goods sold.

Taxes recoverable or prepaid taxes are shown in the current and noncurrent assets, in accordance with the estimated timing of their realization.

Sales taxes

Revenues, expenses and assets are recognized net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included. The net amount of sales tax recoverable from, or payable to, the tax authority is included as part of receivables or payables in the balance sheets.

t) Business combinations and goodwill

Business combinations are recorded using the acquisition method. The cost of an acquisition is measured as the sum between the consideration transferred, measured at fair value on the acquisition date and the remaining amount of non-controlling interest in the acquired company. For each business combination, the acquirer measures the non-controlling interest in the acquired company at fair value or through the proportional interest in acquired company's identifiable net assets. The acquisition costs incurred are treated as expense and included in the administrative expenses.

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4. Significant accounting policies – Continued

t) Business combinations and goodwill - Continued

When the Company acquires a business, it assesses financial assets and liabilities to the appropriate classification and designation according to contractual terms, economic circumstances and relevant conditions on the acquisition date. This includes the separation of derivatives embedded in agreements by the acquired company.

If the business combination occur in phases, the fair value on the acquisition date of interest previously held by acquirer in acquired company is adjusted to fair value on if the acquisition date through income statement.

Any contingent payment to be transferred by acquirer will be recognized at fair value on the acquisition date. Subsequent changes in fair value of contingent payment considered as an asset or liability will be recognized under CPC 38 (IAS 39) through income statement or as change in other comprehensive income. If the contingent payment is classified as equity, it will not be adjusted until it is finally settled under shareholders' equity.

Goodwill is initially measured at cost and the excess between the consideration transferred and the amount recognized for non-controlling interest over assets acquired and liabilities assumed. If this payment is lower than the fair value of net assets of acquired subsidiary, the difference is recognized in the income statement as gain due to profitable purchase.

After initial recognition, the goodwill is measured at cost, less eventual impairment losses. For the purposes of impairment test, the goodwill acquired in a business combination is, as of the acquisition date, allocated to each one of the Company's cash generating units which shall reap the business combination benefits, regardless if other assets or liabilities of the acquired company will be assigned to these units.

In cases the goodwill composes a cash generating unit and part of the operation at this unit is sold, the goodwill related to the sold operation is included in the book amount of the operation when profit or loss earned with the sale of operation is calculated. This goodwill is then measured based on the sold operation-related amounts and part of the cash generating unit which was allocated.

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4. Significant accounting policies – Continued

u) Pension plan

The pension plan is funded through payments to insurance companies, which are classified as defined contribution plan according to CPC 33 (IAS 19). A defined contribution plan is a pension plan through which the Company pays fixed contributions to a separate legal entity. The Company has no legal or constructive obligation to pay additional contributions if the fund does not have sufficient assets to pay the benefits to all employees referring to length of service in current and previous years.

v) Customer loyalty programs

These are used by the Company to provide incentives to its customers in the sale of products or services. If customer buys products or services, the Company grants them credits. Customer may redeem the credits free of charge as a discount in the amount of products or services.

The Company estimates the fair value of scores granted according to the customer loyalty program, applying statistical techniques, considering the maturity of the plan defined in the regulation.

5. Standards issued but not yet effective

There are no CPCs issued which are not effective yet, but there are IFRS issued to which there is no change in CPCs in force, but we expect the Brazilian standards will be in conformity with the international standards until the start date thereof. Below a summary of the IFRS main standards issued but not effective yet, as well as our expectations of their effects on the Company's financial statements:

IFRS 7 - Financial Instruments - Disclosure - Amendment of the standard aims to promote transparency in the disclosure of the transfer transactions of financial assets, improve the understanding by the user about the risk exposure to these transfers, and the effect of these risks on the balance sheet, particularly those involving the securitization of financial assets.

IFRS 9 – Financial Instruments – IFRS 9 concludes the first part of the replacement project of "IAS 39 Financial Instruments: Recognition and Measurement". IFRS 9 uses a simple approach to determine if a financial asset is measured at the amortized cost or fair value, based on the way how an entity administers its financial instruments (its business model) and the contractual cash flow, which is a characteristic of the financial assets. The standard also requires the adoption of only one method to determinate asset impairment. This standard will be effective for the fiscal years starting as of January 1, 2013.

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5. Standards issued but not yet effective - Continued

IFRS 10 - Consolidate financial statements - IFRS 10 as issued reflects the replacement of SIC 12 and IAS 27 and applies to consolidated financial statements when an entity controls one or more other entities. The standard include a new definition of control that represents three elements: a) power over the investee; b) exposure, or rights, to variable returns from its involvement with the investee; and c) the ability to use its power over the investee to affect the amount of the investor's returns.The standard is effective for annual periods beginning on or after January 1º, 2013.

IFRS 11 - Joint arrangements - IFRS 11 as issued reflects the replacement of SIC 13 and IAS 31 and applies to Joint controlled entities. In the accordance with the standard, the participation agreements are classified as joint operations or joint ventures, as the rights and obligations of these agreements. Joint ventures should be accounted by the equity method, while the joint controlled entities, may be accounted by the equity method or by the proportionate accounting method. The standard is effective for annual periods beginning on or after January 1º, 2013.

IFRS 12 - Disclosure of interests in other entities - IFRS 12 as issue applies to Disclosure of interests in other entities, which is intended to enable users to know the risks, the nature, and the effects in the financial statements of the interest in other entities. The standard is effective for annual periods beginning on or after January 1º, 2013.

IFRS 13 - Fair value measurements - IFRS 13 applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements). The standard is effective for annual periods beginning on or after January 1º, 2013.

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5. Standards issued but not yet effective - Continued

IASB issued clarifications on the IFRS rules and amendments for application after October 1, 2011. Below, the main amendments:

• IAS 1 – Presentation of Financial Statement: Presentation of items under Other Comprehensive Income;

• IAS 12 – Income Taxes: This standard clarifies the calculation of deferred tax on investment property measured at fair value. It introduces the refutable assumption that the deferred tax on investment property measured at the fair value method in IAS 40 – Investment property should be defined based on the fact that its carrying amount will be recovered through sale;

• IAS 19 – Employee Benefits: It includes from substantial amendments, such as the removal of corridor mechanism and the concept of expected return on plan assets until simple clarifications on valuations, devaluations and reformulation;

- IAS 27 – Consolidated and Separate Financial Statement: As a result of future application of IFRS 10 and 12, what remains in this standard is restricted to the accounting for subsidiaries, jointly-controlled entities and associates in separate financial statements; and

- IAS 28 – Investments in Associates: As a result of future application of IFRS 11 and 12, current standard now is IAS 28 – Investment in associates, joint ventures and describes the application of equity method for investments in joint ventures, in addition to investments in associates.

The Company will deepen their studies on the adoption of these pronouncements and interpretations, nevertheless not expect any significant effects in its individual and consolidated financial statements.

There are no other rules or interpretations issued that have not been adopted yet that according to the Management's opinion, may adversely affect the Company's results of year or shareholders' equity.

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6. Significant accounting judgments, estimates and assumptions

Judgments

The preparation of the Company's individual and consolidated financial statements requires Management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. In the process of applying the Company's accounting policies, Management has made the following judgments, which have the most significant effect on the amounts recognized in the individual and consolidated financial statements:

a) Financial lease commitments – Company as lessee -

The Company has entered into commercial property leasing agreements in its leased property portfolio and, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and recorded the agreements as financial lease.

b) Impairment

According to the method released in Note 4 (f) the Company assessed if there was indication of assets impairment and in the year ended December 31, 2011, no signs or facts were identified for a new assessment.

Estimates and assumptions

a) Income taxes

. Given the nature and complexity of Company's business, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to income tax and expense already recorded. The Company establishes provisions, based on reasonable estimates, for eventual consequences of audits by the tax authorities. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective company's domicile.

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6. Significant accounting judgments, estimates and assumptions -- Continued

Estimates and assumptions -- Continued

a) Income taxes -- Continued

Deferred income and social contribution tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred income and social contribution tax assets that can be recognized, based upon the profit estimates and the level of future taxable profits, based on the business plan approved by the Board of Directors.

The Company has tax losses amounting to a tax benefit of R$764,524 at December 31, 2011 (R$720,530 in December 31, 2010). These losses do not have limitation periods and relate to subsidiaries that have tax planning opportunities available to support these balances. On December 31, 2010, the Company had a provision for non-recovery of R$106,196, which was reversed in the year 2011 in accordance with new management’s studies.

Further details on taxes are disclosed in the Note 22.

b) Fair value of derivatives and other financial instruments

Where the fair value of financial assets and financial liabilities recorded in the financial statements cannot be derived from active markets, they are determined according to the hierarchy set by CPC 38 (IAS39), to whom certain valuation techniques are determined, including the discounted cash flow model. The inputs to these models are taken from observable markets where possible or information about comparable operations and transactions on the market. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The fair value of financial instruments that are actively traded on organized markets is determined based on the market quotes, on the balance sheet dates, without any deduction for transaction costs. For financial instruments that are not actively traded, the fair value is based on valuation techniques defined by the Company and compatible with usual practices on the market. These techniques include the use of recent market arm’s length transactions, notional to the fair value of similar financial instruments, analysis of discounted cash flows or other valuation models.

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6. Significant accounting judgments, estimates and assumptions -- Continued

Estimates and assumptions -- Continued

b) Fair value of derivatives and other financial instruments -- Continued

When the fair value of financial assets and liabilities recorded in the balance sheet cannot be observed in active markets, these are determined by valuation techniques, including the discounted cash flow method. These models inputs are collected from the market, where applicable, when these observations are not possible, judgment is required to determine the fair value. This judgment includes considerations on inputs, such as: liquidity risk, credit risk and volatility. Changes in these factors assumptions may affect the financial instruments fair value.

c) Share-based payments

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the stock option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in the Note 26.

d) Goodwill impairment

The Company annually tests whether goodwill went through any loss, according to the accounting policy outlined in Note 4 and CPC 1 (IAS 36). Cash-generating units' recovery amounts have been calculated in the preparation of the annual financial statements, based on calculations of recoverable amount and market quotes.

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7. Cash and cash equivalents

Financial instruments at December 31, 2011 and 2010 earn interest mainly at the Interbank Deposit Certificate ("CDI") rate. Financial investments available for withdrawal and in bank accounts are classified as financial assets measured by fair value through the income statement.

		Parent Company		Consolidated	
	Rate *	**12.31.2011**	**12.31.2010**	**12.31.2011**	**12.31.2010**
Cash and bank accounts		**144,507**	100,717	**522,293**	417,561
<u>Financial investments:</u>					
Itaú	101.4%	**549,678**	279,058	**879,271**	1,727,488
Itaú – Delta Fund	101.2%	**1,069,170**	-	**1,738,612**	-
Banco do Brasil	101.2%	**400,167**	568,741	**631,620**	696,331
Bradesco	100.9%	**118,051**	564,809	**852,181**	674,633
Santander	101.0%	**3,080**	53,443	**110,996**	70,087
Unibanco	104.1%	**-**	4,931	**-**	4,931
CEF	99.0%	**2,812**	2,668	**2,812**	2,668
Votorantim	103.4%	**2,640**	97,476	**7,433**	104,766
Safra	101.1%	**1,826**	49,849	**156,305**	53,750
Outros	83.7%	**36,852**	35,884	**68,432**	65,779
		2,328,783	1,757,576	**4,969,955**	3,817,994

* Average CDI Rate

8. Marketable securities

	CDI	12.31.2010
Banco do Brasil	100.30% e CDB 100.20%	315,332
Banco Santander	101.00%	190,307
Banco Safra	101.00%	102,363
		608,002
Current		600,613
Noncurrent		7,389

Since June 30, 2011 the marketable securities had non restrictions for use. These operations were reclassified to cash and cash equivalents.

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9. Trade accounts receivable

	Parent Company		**Consolidated**	
	12.31.2011	**12.31.2010**	**12.31.2011**	**12.31.2010**
Credit card companies (a)	**144,227**	304,992	**429,697**	425,383
Debit card companies (b)	**-**	-	**29,314**	17,296
Sales vouchers and others	**92,810**	43,673	**136,454**	162,378
Consumer finance (c)	**-**	-	**1,959,768**	879,620
Consumer finance - Bradesco (c.1)	**-**	-	**25,606**	619,541
Credit sales with post-dated checks	**984**	2,110	**4,010**	6,492
Accounts receivable from wholesale customers	**-**	-	**49,106**	13,233
Accounts receivable – FIDCs (d)	**-**	-	**2,558,726**	1,667,029
Adjustment to present value (e)	**-**	-	**(10,823)**	(7,061)
Private label credit card – interest-free installment payment	**19,214**	15,127	**19,214**	15,127
Allowance for doubtful accounts (f)	**-**	-	**(210,970)**	(172,901)
Accounts receivable from trade payables (h)	**336,545**	333,551	**447,398**	421,097
Accounts receivable from related parties	**197,758**	180,917	**-**	-
Current	**791,538**	880,370	**5,437,500**	4,047,234
Accounts receivable – Paes Mendonça (g)	**-**	-	**445,056**	420,570
Consumer finance	**-**	-	**117,783**	115,432
Allowance for doubtful accounts (f)	**-**	-	**(6,998)**	(8,063)
Noncurrent	**-**	-	**555,841**	527,939
	791,538	880,370	**5,993,341**	4,575,173

a) Credit card companies

Credit card sales are receivable from the credit card companies. In the subsidiaries Globex, Nova Casa Bahia and Nova Pontocom, credit card receivables, related to the sale of home appliances, are receivable in installments not exceeding 18 months.

Through its subsidiaries Globex, Nova Casa Bahia and Nova Pontocom, the Company sells or deducts its credit card receivables to banks or credit card management companies, in order to obtain working capital.

b) Debit card companies

Debit card sales are receivable from the debit card of appliances and furniture stores of Globex and its subsidiary NCB.

The card administrator provides these amounts on the day after (D+1) completion of sale by debit card at stores across the Globex and its subsidiary NCB.

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9. Trade accounts receivable -- Continued

c) Consumer credit

Refer to consumer direct credit through dealer (CDCI) which can be paid in 24 installments, mainly in subsidiary NCB.

The Company maintains agreements with financial institutions where it is referred to as intervening party of these operations. (See Note 19).

c. 1) Consumer finance – Banco Bradesco

Until November 2010, NCB subsidiary maintained an operating agreement with Banco Bradesco ("Bradesco"), through its subsidiary Finasa, for the granting of credit to its customers aiming at making feasible the acquisition of its goods at stores. As a result of credit granted to customers, NCB receives the principal amount financed by Bradesco on the first business day following the sale date.

According to this agreement, NCB is liable for the extrajudicial collection of defaulting customers, bearing the corresponding expenses. After elapsing 45 days of the initial maturity of overdue installments, the NCB acquires the credit by means of assignment. Within this context, as required by CPC 38 (IAS 39) – Financial Instruments: Recognition and Measurement, the risks and benefits related to accounts receivable assigned to Bradesco are not substantially transferred to the counterparty, which is recognized in the NCB's balance sheet against "Loans and Borrowings".

The outstanding balance of these receivables under NCB's responsibility at December 31, 2011 was R$25,606 (R$649,376 in December 31, 2010).

d) Accounts receivable - FIDCs

The Company and Subsidiaries carrying out securitization operations of its receivables, mainly represented by credit sales with tickets and credit card company receivables, with the Pão de Açúcar Receivables Securitization Fund ("PAFIDC") and Globex Receivables Securitization Fund ("Globex FIDC"). The volume of operations stood at R$9,477,372 at December 31, 2011 (R$9,802,951 in December 31, 2010) for PAFIDC, R$3,948,543 at December 31, 2011 (R$390,682 in December 31, 2010) for Globex FIDC, in which the responsibilities for services rendered and subordinated interests were retained. The consolidated securitization costs of such receivables amounted to R$126,781 (R$99,209 in December 31, 2010) for PAFIDC and R$153,373 (R$14,598 in December 31, 2010) for Globex FIDC, recognized as financial expenses in the income statement.

Services rendered, which are not remunerated, include credit analysis and the assistance by the collection department to the fund's manager.

The outstanding balances of these receivables in PAFIDC and Globex FIDC at December 31, 2011 were R$2,558,726 (R$1,667,029 in December 31, 2010), net of allowance for losses.

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9. Trade accounts receivable - Continued

e) Adjustment to present value

The discount rate used by subsidiary NCB considers current market valuations as to the cash value over time and asset's specific risks. Credit sales with the same cash value were carried to their present value on the date of the operation, in view of their terms, adopting the monthly average rate of receivables anticipation with credit card companies. In December 31, 2011 these rates were in average 0.97% (0.86% in December 31, 2010).

f) Allowance for doubtful accounts

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

	Consolidated	
	12.31.2011	**12.31.2010**

At the beginning of the year	**(180,964)**	(7,521)
Allowance for doubtful accounts	**(268,902)**	(573,898)
Recoveries and provision writte-off	**231,898**	400,455
At the end of the year	**(217,968)**	(180,964)
Current	**(210,970)**	(172,901)
Noncurrent	**(6,998)**	(8,063)

		Falling		Bonds due		
	Total	**due**	**<30 days**	**30-60 days**	**61-90 days**	**>90 days**
12.31.2011	**5,993,341**	**5,818,401**	**109,509**	**31,935**	**20,776**	**12,720**
12.31.2010	4,575,173	4,269,637	229,411	16,497	53,090	6,538

g) Accounts receivable – Paes Mendonça

The accounts receivable from Paes Mendonça relate to amounts deriving from the payment of third party liabilities by the subsidiaries Novasoc and Sendas. Pursuant to contractual provisions, these accounts receivable are monetarily restated (IGPM) and guaranteed by commercial leasing rights of certain stores currently operated by the Company, Novasoc and Sendas. Maturity of accounts receivable is linked to the lease agreements.

h) Accounts receivable from trade payables

Accounts receivable from trade payables includes rebates and discounts obtained from trade payables. These amounts are established contractually and include amounts for volume purchase discounts, joint marketing programs, freight reimbursements, and other similar programs.

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10. Other accounts receivable

	Parent Company		**Consolidated**	
	12.31.2011	**12.31.2010**	**12.31.2011**	**12.31.2010**
Accounts receivable related of sale from property and equipment	**-**	7,827	**50,423**	57,921
Cooperative advertising with trade payables	**-**	-	**50,617**	20,539
Advances to suppliers	**17,958**	29,279	**21,345**	73,935
Accounts receivable related of credits non accepted	**41,674**	15,185	**86,252**	56,998
Accounts receivable from virtual operations	**-**	-	**-**	1,099
Claims to receive	**248**	1,993	**49,927**	45,306
Accounts receivable from services	**3,491**	3,491	**4,706**	7,194
Rental receivable	**11,859**	19,303	**16,545**	20,270
Other accounts receivable – PAFIDC	**-**	-	**46,466**	50,319
Loans to employees	**-**	20,000	**11,925**	21,377
Boa Esperança Supermarket	**8,393**	-	**8,393**	-
GPA Malls	**-**	-	**14,000**	-
Others	**3,244**	6,683	**26,035**	4,579
	86,867	103,761	**386,634**	359,537
Current	**40,131**	50,976	**279,621**	269,980
Noncurrent	**46,736**	52,785	**107,013**	89,557

11. Receivables Securitization Fund

a) Receivables Securitization Fund - Pão de Açúcar

PAFIDC is a receivables securitization fund created for the purpose of acquiring the Company and its subsidiaries' trade receivables, arising from sales of products and services to their customers, except for receivables from installment sales and post-dated checks. The fund has a defined term until December 7, 2012.

The capital structure of the fund, at December 31, 2011, is composed of 10,295 senior shares held by third parties in the amount of R$1,235,901 (R$1,096,130 in December 31, 2010), which represent 89.90% of the fund's equity (89.30% in 2010) and 2,864 subordinated shares (also in December 31, 2010), held by the Company and subsidiaries in the amount of R$138,849, which represent 10.10% of the fund's equity (10.70% in December 31, 2010).

The subordinated quotas were imputed to the Company and are recorded in assets of controlling entity, as interest in the receivables securitization fund, with a balance of R$124,304 at December 31, 2011 (R$117,613 in December 31, 2010). The interest held in subordinated quotas represents the maximum exposure to the securitization operations losses.

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11. Receivables Securitization Fund -- Continued

a) Receivables Securitization Fund - Pão de Açúcar **--** Continued

The interest rates of senior shares are shown below:

		12.31.2011		**12.31.2010**	
Quotaholders	**Amount**	**CDI Rate**	**Balance redeemable**	**CDI Rate**	**Balance redeemable**
Senior A	5,826	**108.0%**	**758,660**	109.5%	672,861
Senior B	4,300	**108.0%**	**207,614**	109.5%	184,135
Senior C	169	**108.0%**	**269,627**	109.5%	239,134
			1,235,901		1,096,130

Subordinated quotas are registered and non-transferable, and were issued in a single series. The Company will redeem the subordinated quotas only after the redemption of senior quotas or at the end of the fund's term. Once the senior quotas have been remunerated, the subordinated quotas will receive the balance of the fund's net assets after absorbing any losses on receivables transferred and any losses attributed to the fund. Their redemption value is subject to credit, prepayment, and interest rate risks on the transferred financial assets.

The holders of senior quotas have no recourse against the other assets of the Company in the event customers' default on the amounts due. As defined in the agreement between the Company and PAFIDC, the transfer of receivables is irrevocable, irreversible and definitive.

b) Globex Receivables Securitization Fund – Globex FIDC

Globex FIDC is a receivables securitization fund created to acquire the accounts receivable of Globex and its subsidiary, including Nova Casa Bahia S.A. and Nova Pontocom Comércio Eletrônico S.A. (mainly credit card), originated from the sale of products and services to its customers. This fund was created at May 26, 2010 with determinate, ending on November 11, 2013.

The fund equity structure at December 31, 2011 is composed of 11,666 senior quotas held by third parties, amounting to R$1,184,522 (R$1,184,387 in December 31, 2010), representing 85% of the fund's equity (87.5% in 2010) and 1,910 subordinated quotas (1,691 in December 31, 2010), held by the Company and its subsidiaries, amounting to R$209,068 (R$169,332 in December 31, 2010), accounting for 15% of the fund's equity (12.5% in December 31, 2010).

Subordinated quotas were imputed to the Globex and are recorded as noncurrent assets, such as participation in the securitization fund, with balance of R$209,068 at December 31, 2011 (R$169,332 in December 31, 2010). The interest held in subordinated quotas represents the maximum exposure to the securitization operations losses.

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11. Receivables Securitization Fund -- Continued

b) Globex Receivables Securitization Fund – Globex FIDC **-** Continued

Below, the interest rates of senior quota holders:

		12.31.2011		12.31.2010	
Quotaholder	**Amount**	**CDI Rate**	**Balance redeemable**	**CDI Rate**	**Balance redeemable**
Senior - 1st Series	11,666	**107.75%**	**1,184,522**	107.75%	1,184,387

Subordinated quotas are registered and non-transferable and were issued in a single series. The subsidiary Globex will redeem the subordinated quotas after the redemption of senior quotas or upon the end of the fund's term. Once remunerated the senior quotas seniors, the subordinated quotas will receive the fund's net worth balance after absorbing eventual losses in receivables transferred and eventual losses attributed to the fund. Their redemption amount will be subject to credit, prepayment and interest rate risks of financial assets transferred.

The holders of senior quotas are not entitled to recourse against other subsidiary Globex's assets in the event of customers' delinquency. As contractually agreed upon between the subsidiary Globex and PAFIDC, the transfer of receivable is irrevocable, irreversible and definite.

12. Inventories

	Parent Company		Consolidated	
	12.31.2011	**12.31.2010**	**12.31.2011**	**12.31.2010**
Stores	**1,172,026**	999,835	**3,489,429**	2,638,904
Warehouses	**796,600**	623,223	**2,292,939**	2,299,691
Bonus in inventories	**(46,908)**	(40,883)	**(130,303)**	(54,296)
Provision for obsolescence/breaking	**(6,780)**	(8,921)	**(75,757)**	(51,892)
Present value adjustment	**-**	-	**(23,539)**	(8,639)
	1,914,938	1,573,254	**5,552,769**	4,823,768

The Company appropriates in the result during the year the bonus received from suppliers at the same time that the bonus inventories is realized. The received unrealized bonus in inventories in the parent company represents R$46,908 at December 31, 2011 (R$40,883 in December 31, 2010), in the consolidated the amount is R$130,303 (R$54,296 in December 31, 2010). In addition, in December 31, 2011 the Company effect obsolescence provision (low turnover) and breaking inventories in the amount R$6,780 (R$8,921 in December 31, 2010) and R$75,757 (R$51,892 in December 31, 2010) in the parent company and consolidated, respectively.

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12. Inventories -- Continued

The adjustment to present value of inventories refers to the corresponding entry of adjustment to present value of the indirect subsidiary NCB's trade payables.

13. Recoverable taxes

The balances of recoverable taxes refer to credits from Withholding Income Tax, ("IRRF"), Social Contribution Tax on Gross Revenue for the Social Integration Program ("PIS"), Social Contribution Tax on Gross Revenue for Social Security Financing ("COFINS") and recoverable State Value-Added Tax ("ICMS"):

	Parent Company		**Consolidated**	
	12.31.2011	**12.31.2010**	**12.31.2011**	**12.31.2010**
Current				
Taxes on sales	**176,986**	263,936	**465,617**	671,054
ICMS recoverable	**169,829**	221,899	**293,329**	464,152
PIS/COFINS recoverable	**7,157**	42,037	**172,288**	206,902
Income tax	**110,532**	41,392	**251,360**	141,387
Investment	**63,479**	24,192	**193,994**	116,656

Other	**47,053**	17,200	**57,366**	24,731
Other	**126,804**	58,894	**191,965**	77,201
ICMS recoverable from Property and equipment	**10,594**	9,323	**21,661**	16,480
ICMS tax replacement	**93,741**	28,260	**94,275**	28,697
Other	**22,469**	21,311	**76,029**	32,024
Present value adjustment	**(601)**	(460)	**(1,240)**	(1,287)
	413,721	363,762	**907,702**	888,355
Noncurrent				
Taxes on sales	**-**	111,812	**702,174**	206,765
ICMS recoverable	**-**	-	**691,344**	71,063
PIS/COFINS recoverable	**-**	111,812	**10,830**	135,702
Other	**31,781**	15,494	**41,057**	19,632
ICMS and other	**31,781**	15,494	**41,057**	19,632
Present value adjustment	**(7,255)**	(7,504)	**(13,233)**	(12,891)
	24,526	119,802	**729,998**	213,506
Total taxes recoverable	**438,247**	483,564	**1,637,700**	1,101,861

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13. Recoverable taxes -- Continued

The full realization of this value over the next five years will occur as follows:

Year	Consolidated
2012	387,604
2013	242,300
2014	212,000
2015	114,400
2016	122,644
	1,078,948

The Directors of subsidiary Globex prepared a technical feasibility study on the future realization of the ICMS, considering the expected future compensation of debts from the Globex operations and subsidiaries in the context of the main variables of your business. This study was examined based on information extracted from the strategic planning report approved by the Board of Directors of the Company.

14. Related Parties

a) Sales and purchases of goods

	Parent Company		Consolidated	
	12.31.2011	**12.31.2010**	**12.31.2011**	**12.31.2010**
Customers				
Novasoc Comercial	**42,232**	37,678	**-**	-
Sé Supermercados	**91,146**	94,321	**-**	-
Sendas Distribuidora	**57,312**	47,682	**-**	-
Barcelona	**5,137**	1,849	**-**	-
Xantocarpa	**1**	2	**-**	-
Globex	**1,176**	1,617	**-**	-
Nova PontoCom	**754**	6,023	**-**	-
	197,758	189,172	**-**	-
Suppliers				
Novasoc Comercial	**8,482**	2,289	**-**	-
Sé Supermercados	**4,662**	3,745	**-**	-
Sendas Distribuidora	**17,984**	11,530	**-**	-
Barcelona	**1,923**	2,131	**-**	-
Xantocarpa	**1,530**	752	**-**	-
FIC	**8,574**	7,242	**10,679**	8,879
Globex	**1,721**	853	**-**	-
Nova PontoCom	**1,148**	803	**-**	-
Globalbev bebidas e alimentos	**2,586**	-	**3,012**	-
Bravo Café	**231**	-	**231**	-
Fazenda da Toca Ltda	**222**	-	**254**	-
Restaurante FNH Ltda	**4**	-	**4**	
Axialent	**307**	-	**310**	
	49,374	29,345	**14,490**	8,879

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14. Related Parties -- Continued

b) Sales and purchases of goods -- Continued

	Parent Company		Consolidated	
	12.31.2011	**12.31.2010**	**12.31.2011**	**12.31.2010**
Sales				
Novasoc Comercial	**340,064**	308,432	**-**	-
Sé Supermercados	**808,432**	795,679	**-**	-
Sendas Distribuidora	**326,680**	275,044	**-**	-
Barcelona	**9,299**	18,241	**-**	-
Globex	**4**	2,431	**-**	-
Nova PontoCom	**15,671**	75,545	**-**	-
ECQD Participações	**1,926**	-	**-**	-
	1,502,076	1,475,372	**-**	-
Purchases				
Novasoc Comercial	**3,995**	2,526	**-**	-
Sé Supermercados	**13,636**	10,569	**-**	-
Sendas Distribuidora	**34,494**	9,660	**-**	-
Nova PontoCom	**-**	20	**-**	-
ECQD Participações	**2**	-	**-**	-
Globalbev bebidas e alimentos	**10,227**	-	**12,640**	-

Bravo Café	**1,589**	-	**1,591**	-
Sykué Geração de energia Ltda	**5,432**	-	**6,389**	-
Fazenda da Toca Ltda	**3,083**	-	**3,383**	-
Restaurante FNH Ltda	**4**	-	**4**	-
E-HUB Cons. Part. e Com. S.A.	**217**	-	**-**	-
	72,679	22,775	**24,007**	-

Related party transactions, as disclosed above, are carried out at cost and are eliminated from the consolidated financial statements.

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14. Related Parties - Continued

c) Other operations

	Parent Company		Consolidated	
	12.31.2011	**12.31.2010**	**12.31.2011**	**12.31.2010**
Assets				
Novasoc Comercial (x)	**18,994**	-	**-**	-
Sé Supermercados (x)	**40,313**	-	**-**	-
Casino (i)	**7,898**	5,519	**7,898**	5,519
FIC (iv)	**-**	-	**3,634**	-
Sendas S.A.	**-**	17,824	**-**	17,824
Sendas Distribuidora (x)	**889,455**	564,208	**-**	-
Xantocarpa	**18,698**	3,916	**-**	-
Barcelona (x)	**88,030**	178,909	**-**	-
Vedra	**20**	-	**-**	-
Globex	**-**	8,570	**-**	-
Casas Bahia Comercial Ltda. (v)	**-**	-	**55,243**	120,605
Nova PontoCom	**15,059**	308	**-**	-
Vancouver	**3,183**	2,351	**-**	-
ECQD - sócios (vi)	**34,209**	-	**34,209**	-
Nova Casa Bahia	**5**	-	**-**	-
Audax SP (xi)	**20,746**	21,748	**20,728**	-
Audax Rio (xi)	**-**	-	**9,378**	-
Outros	**6,421**	1,203	**2,325**	32,293

	1,143,031	804,556	**133,415**	176,241
Liabilities				
Novasoc Comercial (x)	**-**	34,867	**-**	-
Sé Supermercados (x)	**-**	48,936	**-**	-
Fundo Península (ii)	**15,256**	14,410	**15,772**	14,894
Barcelona (x)	**-**	324,350	**-**	-
Globex (xii)	**153,212**	79,689	**-**	-
FIC (iv)	**7,900**	5,320	**11,764**	6,886
P.A. Publicidade	**7,601**	-	**-**	-
Nova Pontocom	**959**	-	**-**	-
Casas Bahia Comercial Ltda. (v)	**-**	-	**342**	231,203
Outros	**3,344**	6,248	**-**	21,308
	188,272	513,820	**27,878**	274,291

	12.31.2011	**12.31.2010**	**12.31.2011**	**12.31.2010**
Income statement				
Novasoc Comercial (x)	**7,715**	8,580	**-**	-
Sé Supermercados (x)	**20,109**	22,065	**-**	-
Sendas Distribuidora (x)	**51,937**	37,062	**-**	-
Casino (i)	**(5,061)**	(5,225)	**(5,061)**	(5,225)
Fundo Península (ii)	**(142,823)**	(138,256)	**(148,460)**	(142,632)
Diniz Family (iii)	**(17,553)**	(13,053)	**(18,776)**	(6,346)
Sendas S.A.	**-**	(37,715)	**-**	(58,566)
Sykué Consultoria em Energia Lt. (viii)	**(382)**	-	**(824)**	
Casas Bahia Comercial Ltda. (v)	**-**	-	**(141,183)**	(67,416)
FIC (iv)	**-**	(6,802)	**(3,662)**	(13,832)
Axialent	**(2,921)**	-	**(2,921)**	-
Outros	**(8,400)**	(8,400)	**(8,400)**	(8,400)
	(97,379)	(141,744)	**(329,287)**	(302,417)

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14. Related Parties – Continued

b) <u>Other transactions</u> - Continued

i. *Casino*: Technical Assistance Agreement, signed between the Company and Casino at July 21, 2005, whereby, through the annual payment of US$2,727 thousand, it provides for the transfer of know-how in the administrative and financial area. This agreement is effective for 7 years, with automatic renewal for an indeterminate term. This agreement was approved at the Special Shareholders' Meeting held at August 16, 2005.

ii. *Península Fund:* 59 real estate lease agreements with the Company, 1 property with Novasoc, 1 property with Sé and 1 property with Barcelona.

iii. *Diniz Family*: Leasing of 15 properties for the Company and 2 properties for Sendas Distribuidora.

iv. *FIC*: The impact in the income statement related to Banco Investcred represents: (i) refund of expenses deriving from the infrastructure agreement, such as: expenses related to cashiers payroll, and commissions on the sale of financial products (ii) financial expenses related to the receivables discount (named “financial rebate”) and (iii) revenues from property rental.

v. *Casas Bahia*: The subsidiary Nova Casa Bahia maintains lease agreements for warehouses, offices and administrative buildings with the Management of Casas Bahia Comercial Ltda.

vi. *Nova Pontocom managers (ECQD):* On November 2010, in the context of the restructuring of GPA e-commerce business, the Company granted to certain Nova Pontocom Comércio Eletrônico S.A statutory managers, a loan amounting in R$ 10,000 as well as celebrated a barter contract with return in the amount of R$ 20,000, both maturing on January 8, 2018, duly adjusted.

vii. Sykué Energy generation: Purchase of Electric Energy on *the Free Market* to supply several consumer units of the Company.

viii. Sykué Consultoria: energy planning services in order to supply electricity, including projection of energy consumption for each consumer unit , during 102 months (economic feasibility study of stores maintenance costs on the captive market or on the free market) and regulatory advisory with ANEEL, CCEE and NOS.

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14. Related Parties – Continued

b) Other transactions - Continued

ix. Other: Expenses paid by the Company to its subsidiaries and other associated companies. Other related parties not described in this Note did not state balances or transactions in the years.

x. Novasoc Comercial, Sé Supermercados, Sendas Distribuidora e Barcelona: include values arising from the use of shared central services such as treasury, accounting, legal and others.

xi. Audax: Barter values with football club Audax SP and Audax RJ, which invests in training professional athletes.

xii. *Globex*: The Company has an accounts payable for "First Amendment to the Association Agreement" between Globex and Casas Bahia Comercial, which guarantees the right to compensation of certain contingencies recognized that may be due by Globex starting from June 30, 2010.

Related party-transactions shown above mainly result from operations the Company and its subsidiaries maintain among themselves and with other related entities and were substantially accounted for according to the market prices, terms and conditions, agreed between the parties.

c) Management Compensation

The expenses related to the compensation of management's key personnel (officers appointed pursuant to Bylaws and the Board of Directors), which were recorded in the income statement at the ended December 31, 2011, were as follows:

	Board of Directors			
	Remuneration	**Other remuneration**	**Shore based Payment**	**Total**
Board of Directors (*)	-	7,574	-	7,574
Directors	23,660	30,289	13,133	67,082
Fiscal council	432	-	-	432

(*) Variable according to the number of participation in the meeting.

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15. Investments

a) <u>Breakdown of investments</u>

Parent Company

	Sé	Sendas	Novasoc	Globex	Nova Pontocom	NCB (*)	Outros	Total
Balances at 12.31.2009	1,591,637	52,194	-	803,936	-	-	18,393	2,466,160
Additions	-	-	6,449	549,623	-	-	-	556,072
Acquisition	-	-	-	-	18,895	837,762	-	856,657
Write-off	(13,391)	(18,343)	-	-	-	-	-	(31,734)
Equity pick-up	124,259	745	35,576	(14,222)	(2,077)	(2,073)	4,228	146,436
Dividends receivable	-	782	-	-	-	-	-	782
Gain (loss) Shareholding	-	-	(11,984)	(1,622)	2,176	-	1,235	(10,195)
Balances at 12.31.2010	**1,702,505**	**35,378**	**30,041**	**1,337,715**	**18,994**	**835,689**	**23,856**	**3,984,178**

Parent Company

	Sé	Sendas	Novasoc	Globex	Nova Pontocom	NCB (*)	GPA Malls	API SPE	Other	Total
Balances at 12.31.2010	1,702,505	35,378	30,041	1,337,715	18,994	835,689	-	-	23,856	3,984,178
Additions	**-**	**-**	**-**	**-**	**-**	**-**	**14,000**	**15,488**	**111**	**29,599**
Exchange variation	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,419**	**1,419**
Write-off	**(152,074)**	**(36,655)**	**(11,271)**	**-**	**-**	**-**	**-**	**-**	**-**	**(200,000)**
Equity pick-up	**220,394**	**36,014**	**36,407**	**43,327**	**10,478**	**20,815**	**(666)**	**-**	**7,916**	**374,685**
Gain (loss) Shareholding	**-**	**-**	**-**	**838**	**964**	**-**	**-**	**-**	**-**	**1,802**
Balances at 12.31.2011	**1,770,825**	**34,737**	**55,177**	**1,381,880**	**30,436**	**856,504**	**13,334**	**15,488**	**33,302**	**4,191,683**

(*) Refers to the effects of fair value measurements of the business combination.

	Consolidated			
	FIC	**Binv/ Globex**	**Other**	**Total**
Balances at 12.31.2009	176,565	15,010	2,652	194,227
Additions	12,777	-	4,806	17,583
Write-off	-	(2,689)	-	(2,689)
Equity pick-up	35,032	(511)	(22)	34,499
Dividends receivable	(11,080)	-	-	(11,080)
Balances at 12.31.2010	**213,294**	**11,810**	**7,436**	**232,540**

	Consolidated			
	FIC	**Binv/ Globex**	**Other**	**Total**
Balances at 12.31.2010	**213,294**	**11,810**	**7,436**	**232,540**
Additions	**-**	**-**	**112**	**112**
Write-off	**-**	**(14,223)**	**(4)**	**(14,227)**
Equity pick-up	**29,953**	**4,872**	**-**	**34,825**
Transfer	**(10,179)**	**17,263**	**(7,084)**	**-**
Balances at 12.31.2011	**233,068**	**19,722**	**460**	**253,250**

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15. Investments – Continued

b) Breakdown of investments – Continued

(i) FIC

The summarized financial information of FIC at December 31, 2011 and 2010 is as follows:

	Consolidated	
	12.31.2011	**12.31.2010**
Current assets	**3,485,365**	3,118,059
Noncurrent assets	**201,785**	289,963
Total assets	**3,687,150**	3,408,022
Current liabilities	**3,008,357**	2,783,045
Noncurrent liabilities	**52,446**	36,259
Shareholders' equity	**626,347**	588,718
Total liabilities and shareholders' equity	**3,687,150**	3,408,022
Operating results:		

Revenues	**911,643**	918,415
Operating income	**75,849**	145,756
Net income	**77,509**	93,302

For purposes of calculating the investment the Shareholders’ Equity of investee should be reduced the goodwill reserve, whose reserve is the right of Itaú.

(ii) Sendas

Acquisition of non-controlling interest in Sendas Distribuidora

Sendas S.A. and Barcelona Comércio Varejista e Atacadista S.A. (Company’s subsidiary) entered into a Stock Purchase Agreement and Other Covenants, according to which Sendas Distribuidora´s shares held by Sendas S.A. may be transferred to Barcelona Comércio Varejista e Atacadista S.A.. The acquisition this minority participation was approve by the Board of Directors at February 23, 2011 and by Company´s General Meeting at March 14, 2011. Sendas S.A. transferred to Barcelona Comércio Varejista e Atacadista S.A. the totally its participation in the Sendas Distribuidora, corresponding to 42.57% of the capital stock for R$377,000 to be paid as follows: R$59,000 upon the transfer of shares and the remaining amount of R$318,000 in 6 annual and consecutive installments of R$53,000, the first installment shall mature in July 2011, adjusted by IPCA (Extended Consumer Price Index) as of the fourth installment, and as July to December 2010 as reference basis. This present value of obligation assumed at December 31, 2011 is R$238,863 (R$324,350 at December 31, 2010).

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15. Investments – Continued

Payables for acquisition of non-controlling shareholders

	Consolidated	
	12.31.2011	**12.31.2010**
Interest acquisition in Assai (i)	**4,568**	188,194
Interest acquisition in Sendas Distribuidora (ii)	**238,863**	324,350
	243,431	512,544
Current liabilities	**54,829**	297,484
Noncurrent liabilities	**188,602**	215,060

i. Accounts payable due to the acquisition of non-controlling interest in Assai, subsidiary that operates in the “cash and carry” segment for the Group.

ii. Accounts payable due to the acquisition of non-controlling interest in Sendas Distribuidora, which will be settled in 6 annual installments, and the last amortization will take place in December 2017.

16. Business combinations and acquisition of non-controlling interest

a) Association with Nova Casa Bahia

Context of the partnership

At December 4, 2009, Casas Bahia Comercial Ltda. ("CB") and GPA entered into a Partnership Agreement ("Partnership Agreement") aiming at merging their retail trade of durable goods and electronic commerce of durable goods businesses.

At February 3, 2010 the parties signed a Provisional Agreement for the Maintenance of Operation Reversibility ("APRO") with the Administrative Council for Economic Defense ("CADE"), which determined that the following actions to be taken: (i) maintenance of "Casas Bahia" and "Ponto Frio" brands, as well as separate advertising campaigns, ensuring investments in propaganda and marketing at levels compatible with previous fiscal years, except for the assumptions resulting from the economic scenario; (iii) the maintenance of stores existing in 146 cities where both "Casas Bahia" and "Ponto Frio" are located; (iii) maintenance of respective warehouses and the Bartira's furniture plant; (iv) maintenance of respective loan policies; and (v) maintenance of separate procurement structures and their commercial contractual instruments, even though they may jointly operate in this segment. Except for these specific conditions, both Globex and NCB may adopt the measures necessary to merge their activities and capture the synergies resulting from this operation. This present operation is pending approval from CADE.

At July 1, 2010, the parties entered into an addendum to the Partnership Agreement, in which the parties reviewed certain conditions of the partnership, as well as defined the actions required for their implementation.

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16. Business combinations and acquisition of non-controlling interest – Continued

a) Association with Nova Casa Bahia – Continued

As a preliminary phase of this businesses merger, at October 1, 2010, the operating assets of CB were transferred to NCB through a partial spin-off. This transfer included an equity interest of 25% in Bartira (remainder 75% still under the possession of CB).

Thus, as of October 1, 2010, NCB operates under the "Casas Bahia" brand, which was present at that time in 11 Brazilian states and in the Federal District, represented by 526 stores and 8 warehouses, selling a wide range of electronic products, home appliances and devices, such as furniture, electronic toys, office supplies, mobile phones, computers and accessories.

At November 9, 2010, as a preparatory phase of the process to merge NCB shares into Globex, CDB centralized the retail trade and the electronic commerce of durable goods in Globex. Thus, the Company injected capital into its subsidiary Globex, used in this specific transaction as intervening party and of the consideration transferred to the acquisition, in the following amount: (i) net assets from the Company's electronic products operations, established by the "Extra-Eletro" brand, in the amount of R$89,826; (ii) financial investments of R$290,143; and (iii) receivables between the Company's subsidiaries, in the amount of R$375,550. On the same date, the Globex shareholders' approved the NCB's shares incorporation. Globex started to operate with “Ponto Frio” and “Casas Bahia” banners.

Determination of the consideration transferred due to the takeover of NCB

With capital contributions established and as part of the merger process of NCB’s shares into the shareholders’equity of Globex, GPA transferred approximately 47.08% of its entire investment in Globex to members of CB, which is determined as total consideration transferred for the takeover of NCB (“total consideration transferred”).

Since Globex is a publicly held company, with its shares listed on stock exchanges, carried out by independent purchasers and sellers, for accounting purposes, the fair value of the consideration transferred was determined by the final price of Globex’s common share traded on Bovespa at November 9, 2010, as follows:

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16. Business combinations and acquisition of non-controlling interest – Continued

a) Association with Nova Casa Bahia – Continued

Determination of the consideration transferred due to the takeover of NCB - Continued

	12.31.2010
Number of common shares held by CBD, corresponding to the 98.77% interest	**168,927,975**
Globex common share quote at November 9, 2010 - R$	**15.00**
Market value (Bovespa) of investment in Globex – 98.77%	**2,533,920**
47.08% of market value of investment in Globex assigned to CB's shareholders	**1,193,082**
Fixed mandatory dividends to Bartira's shareholders (i)	**6,069**
Assets received from CB considered as consideration transferred:	
Additional payment (ii)	**95,084**
Call option for controlling interest in Bartira, net of income and social contribution taxes(iii)	**(200,864)**

Non-controlling interest over assets received	**95,523**
Value of total consideration transferred	**1,188,894**

(i) According to the Partnership Agreement, Bartira will disproportionally distribute mandatory dividends to its shareholders, in order to ensure that CB receives a total of R$12 million as dividends in the next three years. This mandatory minimum dividend that Bartira shall pay as a disproportional sharing was considered according to CPC 15 and IFRS 3R, as part of the total consideration transferred for takeover of NCB;

(ii) Payment Additional in kind pursuant to clause 6.3 of the shareholder's agreement between GPA and the members of the Casas Bahia on December 4, 2009 and subsequently amended on December 1, 2010 by the 1st amendment to association between GPA and member of Casas Bahia.

(iii) Fair value of Bartira's call option: the parties granted through the Partnership Agreement, call and put options for the interests held by GPA and CB in Bartira. The conditions are defined as follows:

• During the lock-up period defined in the Partnership Agreement as 36 months, NCB is eligible to sell is 25% interest in Bartira's capital stock for one real (R$1.00);

• During the period from the end of the lock-up period and the end of the 6th year of the agreement, NCB may acquire the remaining 75% interest in the capital stock of Bartira, currently held by CB, for a total of R$175,000, adjusted by IPCA (Extended Consumer Index Price); e

• Should NCB do not exercise the aforementioned call option at the end of the 6th year, CB shall have to acquire the 25% interest from NCB for a total of R$58,500, adjusted by IPCA;

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16. Business combinations and acquisition of non-controlling interest -- Continued

a) Association with Nova Casa Bahia **--** Continued

Fair values of acquired identifiable assets and liabilities

The fair values of identifiable assets and liabilities acquired from NCB, on the date of business combination were as follows:

	Opening balance	**(iv) Fair value of investment held in Bartira**	**(v) "Casas Bahia" banner**	**(vi) Commercial rights**	**(vii) Fair value of Property and equipment**	**(viii) Supply agreement under favorable conditions**	**(ix ag u fa co**
Assets							
Cash and cash equivalents	64,957	-	-	-	-	-	
Marketable securities	586,536	-	-	-	-	-	

Trade accounts receivable	2,434,960	-	-	-	-	-
Inventories	1,360,420	-	-	-	-	-
Recoverable taxes	240,091	-	-	-	-	-
Deferred income tax	152,291	(29,434)	(549,242)	(136,344)	(31,376)	(75,213)
Prepaid expenses	58,498	-	-	-	-	-
Other	268,059	-	-	-	-	-
Investments in associated companies	-	86,572	-	-	-	-
Property and equipment	570,889	-	-	-	92,281	-
Intangible assets	57,217	-	1,615,417	401,011	-	221,214
	5,793,918	57,138	1,066,175	264,667	60,905	146,001
Liabilities						
Trade accounts payable	(1,063,178)	-	-	-	-	-
Loans and borrowings	(1,438,859)	-	-	-	-	-
Taxes payable	(448,565)	-	-	-	-	-
Deferred revenues	(230,637)	-	-	-	-	-
Provision for contingencies	(33,796)	-	-	-	-	-
Other	(1,405,165)	-	-	-	-	-
	(4,620,200)	-	-	-	-	-
Net assets	1,173,718	57,138	1,066,175	264,667	60,905	146,001

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16. Business combinations and acquisition of non-controlling interest -- Continued

b) Association with Nova Casa Bahia **--** Continued

Fair values of acquired identifiable assets and liabilities **--** Continued

(iv) Fair value of investment held in Bartira (25%): it refers to the measurement of fair value of the investment currently held by NCB of 25% of Bartira’s capital stock. It was measured by the “Income Approach” method, considering the present value of future benefits generated directly or indirectly measured, quantified in the form of cash flow;

(v) “Casas Bahia” tradename: the tradename is traditional and well known in the Brazilian retail trade and is considered one of the most valuable brands, according to specialized brand valuation companies. Considering the strength and recognition of this brand, a market participant should not discontinue it. Its measurement was based on the royalties relief methodology, which represents the remuneration practiced by the market for using the brand, if it were not acquired;

(vi) Rights of use: points-of-sale, many of them are located in very busy and large shopping centers. Usually, shopping centers and street stores charge fees related to the assignment for the right to use the point-of-sale when this asset is transferred. These are measured according to information on comparable transactions in the market by the “Market Approach” method;

(vii) Fair Value of Property and equipment: calculated using the “Market Approach” method to determine the value of an asset through an analysis of transaction involving securities compatible performed based on table FIPE existing when held on the transaction with a discount of 10%;

(viii) Furniture supply agreement with Bartira: NCB has an exclusive supply agreement with Bartira. This agreement holds profitable conditions to NCB in the acquisition of furniture compared to the margins established in the sector. The amount was defined using information on comparable transactions in the market, based on “Income Approach” method; and

(ix) Advantageous signed with CB: this refers to CBs properties, which include stores, warehouses and buildings which are purposes of operating lease by NCB. This was measured according to information on comparable transactions in the market, based on “Income Approach” method;

No contingent liabilities or assets were identified and recognized on the acquisition date, and even if positive, this would be Indemnifiable by CB or GPA, where applicable.

The fair value of the non-controlling interest was measured by applying their interest, through the fair value of identifiable net assets of NCB on the business combination date, as follows:

	12.31.2010
Fair value of acquired net assets	2,937,632
Non-controlling interest	47.56%
Non-controlling interest – measured by the proportional amount method at fair value of acquired net assets	1,397,020

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16. Business combinations and acquisition of non-controlling interest – Continued

a) Association with Nova Casa Bahia - Continued

Gain from a bargain purchase

As a result of: (i) measurement of the total consideration transferred due to takeover of NCB; (ii) measurement of non-controlling interest; and (iii) measurement of identifiable assets and liabilities at their fair value, the Company verified on an accounting basis a gain due to bargain price acquisition, in the amount of R$351,718, recognized in the statement of income for the fiscal year ended December 31, 2010, under Other operating expenses as follows:

	12.31.2010
Total consideration transferred due to takeover of NCB	(1,188,894)
Non-controlling interest – measured by the proportional amount method at fair value of acquired net assets	(1,397,020)
Fair value of acquired net assets	2,937,632

Bargain purchase resulting from takeover of NCB	351,718

Subsequent measurement –allocation of purchase price

The NCB takeover was accounted for according to the method of acquisition, pursuant to IFRS 3R and CPC 15.

The provisional location of the purchase price was R$ 453,569 in December 31, 2010 which was reduced to R$ 351,718 because of the review intangibles Bartira methodology, surplus of trucks, and other contingent consideration. The measurement period ended on November 08, 2011.

Final allocation of the purchase price has generated the following difference related with allocation provision released in December 31, 2010.

Gain from a bargain purchase provisional in December 31,2010		**453,569**
Final valorization of the consideration paid:		**(133,851)**
Option to purchase - Bartira (ii)	(111,665)	
Additional payment for indemnification (iv)	(95,084)	
Income Tax and Social Contribution on the variations in the consideration paid	37,850	
Effect of non-controlling interest on the variations in the consideration paid	35,048	
Final identification of intangible assets:		**32,000**
Supply contract Bartira (ii)	80,121	
Capital Gain investment Bartira (ii)	(50,688)	
Capital Gain trucks NCB (iii)	92,281	
Other (i)	(29,263)	
Income Tax and Social Contribution on the variations of intangible assets identified	(31,433)	
Effect of non-controlling interest on the variance of intangible assets identified	(29,018)	
Gain from a final bargain purchase in December 31,2010		**351,718**

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16. Business combinations and acquisition of non-controlling interest – Continued

a) Association with Nova Casa Bahia - Continued

Subsequent measurement –allocation of purchase price Continued

(i) Adjustments in assets not recoverable from NCB;

(ii) Value of intangible assets related to Bartira supply contract, purchase option and investment of NCB in Bartira, using margin projected and discounted cash flow;

(iii) Fair Value of the truck fleet of NCB;

(iv) Expenses incurred by Globex related to periods preceding the base date of the business combination, which must be repaid the Klein family in proportion to their effects.

That gain obtained is justified for the CB mainly due to the extremely positive future developments arising from this association with GPA. This association will allow the NCB better access to financing and synergies in all areas such as trade, logistics, administrative and financial, among others.

Additionally, the association with CB will put Globex a new level of business, allowing greater national coverage, economies of scale and other benefits to be converted for the benefit of customers and employees that will result in a potentially better profitability, with the consequent valuation of the shares belonging to the CB. With participation of 47% on Globex, the CB will continue actively participating in the operation, either directly or through the Board of Directors.

The costs of the transactions, totaling R$100,100 were treated as expense and included in other operating expenses in the statement of income for the year ended December 31, 2010.

b) eHUB Business Combination

On November 8, 2010, Globex and the subsidiary Nova.com entered into an agreement for the acquisition of the remaining interest of 55% in E-Hub (an e-commerce service provider). E-Hub was a joint venture booked under investments in affiliated companies. E-Hub's former owners gave 55% of their interest in this company, in addition to R$20,000 payable on January 8, 2013, in exchange for 6% of the subsidiary PF.com.

The parties have entered into a shareholders' agreement, with a 7-year duration and mutual guarantee of preemptive rights in any offering related to this interest, always at market values.

The assets received refer to E-Hub's net assets of liabilities at book value, totaling R$2,200, in addition the return of R$20,000, while the consideration paid was equivalent to 6% of Nova.Com, estimated at the fair value of R$31,530, including the book value. The transaction generated goodwill of R$9,230.

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17. Property and equipment

a) Parent Company:

	Balance at: 12.31.2009	Additions	Depreciation	Write-offs	Transfers	Balance at: 12.31.2010
Land	817,083	**534**	**-**	**(5,219)**	**7,691**	**820,089**
Buildings	1,750,712	**8,949**	**(59,852)**	**(17,970)**	**113,423**	**1,795,262**
Leasehold improvements	822,036	**29**	**(59,035)**	**(18,002)**	**241,195**	**986,223**
Machinery and equipment	308,444	**143,625**	**(30,771)**	**(4,445)**	**(53,714)**	**363,139**
Facilities	51,445	**42,912**	**30,319**	**(1,823)**	**(30,749)**	**92,104**
Furniture and fixtures	135,114	**48,657**	**(42,651)**	**(1,693)**	**21,454**	**160,881**
Vehicles	16,705	**8,404**	**(3,502)**	**(2,201)**	**(4,212)**	**15,194**
Property and equipment in progress	274,279	**572,049**	**-**	**(21,703)**	**(403,145)**	**421,480**
Other	92,358	**22,017**	**(3,952)**	**(64)**	**10,628**	**120,987**
	4,268,176	**847,176**	**(169,444)**	**(73,120)**	**(97,429)**	**4,775,359**
Financial leasing:						
IT equipment	4,771	**-**	**(1,106)**	**-**	**-**	**3,665**
Buildings	24,343	**-**	**(1,369)**	**-**	**-**	**22,974**
	29,114	**-**	**(2,475)**	**-**	**-**	**26,639**
Total property and equipment	4,297,290	**847,176**	**(171,919)**	**(73,120)**	**(97,429)**	**4,801,998**

	Balance at: 12.31.2010	Additions	Depreciation	Write-offs	Transfers	Balance at: 12.31.2011
Land	820,089	**-**	**-**	**-**	**(14,000)**	**806,089**
Buildings	1,795,262	**23,380**	**(57,085)**	**(252)**	**199,566**	**1,960,871**
Leasehold improvements	986,223	**387**	**(71,054)**	**(3,844)**	**184,656**	**1,096,368**
Machinery and equipment	363,139	**182,839**	**(67,235)**	**(9,077)**	**44,139**	**513,805**
Facilities	92,104	**18,985**	**(9,610)**	**(334)**	**9,276**	**110,421**
Furniture and fixtures	160,881	**54,887**	**(24,715)**	**(1,596)**	**19,464**	**208,921**
Vehicles	15,194	**9,470**	**(4,748)**	**(1,798)**	**582**	**18,700**
Property and equipment in progress	421,480	**429,934**	**-**	**(10,404)**	**(581,845)**	**259,165**
Other	120,987	**28,135**	**(6,962)**	**(2)**	**(105,962)**	**36,196**
	4,775,359	**748,017**	**(241,409)**	**(27,307)**	**(244,124)**	**5,010,536**
Financial leasing:						
IT equipment	3,665	**50,239**	**(14,127)**	**(241)**	**2,936**	**42,472**
Buildings	22,974	**-**	**(1,369)**	**-**	**-**	**21,605**
	26,639	**50,239**	**(15,496)**	**(241)**	**2,936**	**64,077**
Total property and equipment	4,801,998	**798,256**	**(256,905)**	**(27,548)**	**(241,188)**	**5,074,613**

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17. Property and equipment -- Continued

a) Parent Company: -- Continued

	Balances at 12.31.2011			Balances at 12.31.2010		
	Cost	Accumulated Depreciation	Net	Cost	Accumulated Depreciation	Net
Land	**806,089**	**-**	**806,089**	820,089	-	820,089
Buildings	**2,649,382**	**(688,511)**	**1,960,871**	2,427,005	(631,743)	1,795,262
Leasehold improvements	**1,937,875**	**(841,507)**	**1,096,368**	1,758,276	(772,053)	986,223
Machinery and equipment	**1,223,421**	**(709,616)**	**513,805**	1,014,994	(651,855)	363,139
Facilities	**285,015**	**(174,594)**	**110,421**	257,257	(165,153)	92,104
Furniture and fixtures	**507,854**	**(298,933)**	**208,921**	439,258	(278,377)	160,881
Vehicles	**29,318**	**(10,618)**	**18,700**	24,154	(8,960)	15,194
Property and equipment in progress	**259,165**	**-**	**259,165**	421,480	-	421,480
Other	**66,647**	**(30,451)**	**36,196**	144,464	(23,477)	120,987
	7,764,766	**(2,754,230)**	**5,010,536**	7,306,977	(2,531,618)	4,775,359
Financial leasing:						
IT equipment	**58,703**	**(16,231)**	**42,472**	5,527	(1,862)	3,665
Buildings	**34,448**	**(12,843)**	**21,605**	34,448	(11,474)	22,974
	93,151	**(29,074)**	**64,077**	39,975	(13,336)	26,639
Total property and equipment	**7,857,917**	**(2,783,304)**	**5,074,613**	7,346,952	(2,544,954)	4,801,998

b) Consolidated:

	Balance at: 12.31.2009	**Additions**	**Depreciation**	**Acquisition of Subsidiary**	**Write-Offs**	**Transfers**	**Balan at: 12.31.2**
Land	980,469	**536**	**-**	**-**	**(5,420)**	**7,420**	983,
Buildings	1,842,073	**11,146**	**(66,433)**	**-**	**(18,629)**	**139,570**	1,907,
Leasehold improvements	1,179,101	**44,826**	**(108,084)**	**72,090**	**(21,278)**	**349,243**	1,515,
Machinery and equipment	423,588	**248,647**	**(65,865)**	**57,420**	**(20,206)**	**(34,836)**	608,
Facilities	99,738	**66,774**	**24,452**	**96,460**	**(7,398)**	**(35,502)**	244,
Furniture and fixtures	221,043	**94,335**	**(63,048)**	**131,655**	**(18,045)**	**33,633**	399,
Vehicles	21,445	**14,278**	**(8,733)**	**231,573**	**(2,508)**	**(9,257)**	246,
Property and equipment in progress	361,346	**779,352**	**-**	**17,644**	**-**	**(580,385)**	577,
Other	105,553	**33,233**	**(9,405)**	**-**	**12,093**	**699**	142,
	5,234,356	**1,293,127**	**(297,116)**	**606,842**	**(81,391)**	**(129,415)**	6,626,
Financial leasing:							
IT equipment	35,273	**2,944**	**(4,410)**	**41,693**	**(155)**	**(1,013)**	74,
Hardware	34,992	**-**	**(1,578)**	**-**	**-**	**(1,519)**	31,
Facilities	1,232	**-**	**5**	**-**	**-**	**(151)**	1,
Furniture and fixtures	19,655	**-**	**(1,424)**	**-**	**-**	**(367)**	17,
Vehicles	656	**392**	**(1,553)**	**14,635**	**(279)**	**223**	14,
Buildings	30,437	**-**	**(1,754)**	**-**	**-**	**-**	28,
	122,245	**3,336**	**(10,714)**	**56,328**	**(434)**	**(2,827)**	167,
Total property and equipment	**5,356,601**	**1,296,463**	**(307,830)**	**663,170**	**(81,825)**	**(132,242)**	6,794,

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17. Property and equipment -- Continued

b) Consolidated: -- Continued

	Balance at: 12.31.2010	Additions	Depreciation	Write-Offs	Transfers	Balance at: 12.31.2011
Land	983,005	**210**	**-**	**1,263**	**(36,308)**	**948,170**
Buildings	1,907,727	**27,755**	**(60,935)**	**(149)**	**241,150**	**2,115,548**
Leasehold improvements	1,515,898	**87,352**	**(112,857)**	**(22,164)**	**329,263**	**1,797,492**
Machinery and equipment	608,748	**316,900**	**(119,097)**	**(19,429)**	**132,060**	**919,182**
Facilities	244,524	**41,994**	**(31,128)**	**42**	**10,268**	**265,700**
Furniture and fixtures	399,573	**101,518**	**(59,896)**	**(21,358)**	**17,569**	**437,406**
Vehicles	246,798	**76,751**	**(43,723)**	**(15,189)**	**2,234**	**266,871**
Property and equipment in progress	577,957	**596,847**	**-**	**(8,427)**	**(824,830)**	**341,547**
Other	142,173	**40,389**	**(12,940)**	**(245)**	**(88,068)**	**81,309**
	6,626,403	**1,289,716**	**(440,576)**	**(85,656)**	**(216,662)**	**7,173,225**
Financial leasing:						
IT equipment	74,332	**-**	**(4,264)**	**(887)**	**(41,240)**	**27,941**
Hardware	31,895	**101,318**	**(21,992)**	**(17,054)**	**10,918**	**105,085**
Facilities	1,086	**-**	**(104)**	**(1)**	**(120)**	**861**
Furniture and fixtures	17,864	**-**	**(1,506)**	**(35)**	**(6,176)**	**10,147**

Vehicles	14,074	**-**	**(9,990)**	**(2,564)**	**12,544**	**14,064**
Buildings	28,683	**-**	**(1,756)**	**-**	**-**	**26,927**
	167,934	**101,318**	**(39,612)**	**(20,541)**	**(24,074)**	**185,025**
Total property and equipment	6,794,337	**1,391,034**	**(480,188)**	**(106,197)**	**(240,736)**	**7,358,250**

	Balances at 12.31.2011			**Balances at 12.31.2010**		
	Cost	**Accumulated Depreciation**	**Net**	**Cost**	**Accumulated Depreciation**	**Net**
Land	**948,170**	**-**	**948,170**	983,005	-	983,005
Buildings	**2,907,817**	**(792,269)**	**2,115,548**	2,640,154	(732,427)	1,907,727
Leasehold improvements	**3,116,923**	**(1,319,431)**	**1,797,492**	2,723,436	(1,207,538)	1,515,898
Machinery and equipment	**1,892,180**	**(972,998)**	**919,182**	1,476,248	(867,500)	608,748
Facilities	**512,834**	**(247,134)**	**265,700**	462,741	(218,217)	244,524
Furniture and fixtures	**870,285**	**(432,879)**	**437,406**	784,316	(384,743)	399,573
Vehicles	**319,889**	**(53,018)**	**266,871**	260,790	(13,992)	246,798
Property and equipment in progress	**341,547**	**-**	**341,547**	577,957	-	577,957
Other	**136,885**	**(55,576)**	**81,309**	182,983	(40,810)	142,173
	11,046,530	**(3,873,305)**	**7,173,225**	10,091,630	(3,465,227)	6,626,403
Financial leasing:						
IT equipment	**39,374**	**(11,433)**	**27,941**	83,673	(9,341)	74,332
Hardware	**207,951**	**(102,866)**	**105,085**	109,544	(77,649)	31,895
Facilities	**1,220**	**(359)**	**861**	1,292	(206)	1,086
Furniture and fixtures	**15,373**	**(5,226)**	**10,147**	21,736	(3,872)	17,864
Vehicles	**20,293**	**(6,229)**	**14,064**	18,910	(4,836)	14,074
Buildings	**43,402**	**(16,475)**	**26,927**	43,403	(14,720)	28,683
	327,613	**(142,588)**	**185,025**	278,558	(110,624)	167,934
Total property and equipment	**11,374,143**	**(4,015,893)**	**7,358,250**	10,370,188	(3,575,851)	6,794,337

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17. Property and equipment -- Continued

At December 31, 2011 and 2010, the Company and its subsidiaries had collateralized fixed assets and legal claims, as disclosed in the Note 23 (h).

The amount of Property and Equipment in progress R$ 78,917 refers to the Oracle Retail Project with completion scheduled in 2013.

The Company has not identified items of its fixed assets that require a provision for impairment at December 31, 2011.

The net transfer refers to software items that were written-off from Property and equipment in progress to addition in intangible group.

c) <u>Capitalized borrowing costs</u>

The amount of the borrowing costs capitalized for the period of nine months at December 31, 2011 was R$27,076 (R$9,580 in December 31, 2010). The rate used to determine the amount of borrowing costs eligible for capitalization was approximately 102.85% of CDI, corresponding to the effective interest rate of the Company's borrowings.

d) Additions to Property and equipment

	Parent Company		**Consolidated**	
	12.31.2011	12.31.2010	**12.31.2011**	12.31.2010
Additions (i)	**726,557**	835,456	**1,262,640**	1,283,547
Financial Lease (ii)	**50,239**	-	**101,318**	3,336
Capitalized Interest	**21,461**	11,720	**27,076**	9,580
Total	**798,257**	847,176	**1,391,034**	1,296,463

(i) The additions made by the Company relate to the purchase of operating assets, acquisition of land and buildings for expansion of activities, building works for new stores and upgrading of existing distribution centers, stores reforms and investments in equipment and information technology; and

(ii) In the statements of cash flows were subtracted from asset additions made during the year, totaling R$ 101,318 at December 31,2011 (R$ 3,336 in December 31,2010), Parent Company and Consolidated, respectively, relating to acquisitions assets held through finance leases.

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17. Property and equipment -- Continued

e) Impairment testing

On December 31, 2011, the Company calculated the recoverable value of net assets to assess whether there were changes in the value of its assets arising from events or changes in the economic, operating and technological circumstances that might indicate impairment for all Cash Generating Units (“CGU”). These tests were conducted pursuant to IFRS 36/CPC 01 requirements, under the following assumptions:

Evidence of asset impairment (CGU)

- Asset Carrying Amount (CGU) x 30% of net revenue for the year.

Should the asset value exceed that one obtained through impairment test, the CGU undergoes test’s second phase, at this time on a comparative basis. Net value in use is determined by cash flow net present value to be generated from the use of assets in activities or production. Future revenue will be estimated and the costs related to revenue to be generated will be deducted in accordance with the There must be a prospect of future income and deduct the costs related to revenues that are generated by the "Income

Approach".

- Asset carrying amount (CGU) X Cash Flow Statement + Outflow Multiple.

Cash Flow Statement Assumptions + Outflow Multiple: Discount Rate 10.4%; Future Revenue between 2012 and 2015; and Outflow Multiple of 9.5 x EBITDA of the fourth year.

In addition to the assessment of the value in use based on the Discounted Cash Flow of four future periods plus outflow multiple of 9.5 x EBITDA, the Company, comparatively and for recording purposes, recalculated the asset value, replacing the outflow multiple of 9.5 x EBITDA with perpetuity flow.

If necessary, the Company conducts a third valuation, now using the market approach methodology. This method is used to calculate the market value of an asset by analyzing transactions involving comparable assets. The Company's management, based on all the aforementioned tests, did not find any indication of asset impairment (CGUs). Therefore, no provision had to be recorded for the impairment.

18. Intangible assets

a) Parent company:

	Balance at: 12.31.2009	**Additions**	**Amortization**	**Acquisition of Subsidiary**	**Write-offs**	**Transfers**	**Balance at: 12.31.2010**
Goodwill - electro	279,851	9,233	-	-	(105,301)	-	183,783
Goodwill – retail	502,962	-	-	-	(2,348)	(200,000)	300,614
Commercial rights - retail	4,617	-	56	-	(1,722)	(2,951)	-
Software	136,920	72,177	(114,197)	-	(37)	100,395	195,258
	924,350	81,410	(114,141)	-	(109,408)	(102,556)	679,655

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18. Intangible assets -- Continued

a) Parent company: **--** Continued

	Balance at: 12.31.2010	**Additions**	**Amortization**	**Write-offs**	**Transfers**	**Balance at: 12.31.2011**
Goodwill - electro	183,781	**-**	**-**	**-**	**-**	**183,781**
Goodwill – retail	300,614	**-**	**-**	**-**	**-**	**300,614**
Commercial rights - retail	-	**-**	**-**	**-**	**17,600**	**17,600**
Software	195,260	**155,114**	**(53,493)**	**(11,188)**	**162,202**	**447,895**
	679,655	**155,114**	**(53,493)**	**(11,188)**	**179,802**	**949,890**

	Balances at 12.31.2011			**Balances at 12.31.2010**		
	Cost	**Accumulated Depreciation**	**Net**	**Cost**	**Accumulated Depreciation**	**Net**
Goodwill - electro	**183,781**	**-**	**183,781**	183,781	-	183,781
Goodwill – retail	**1,148,825**	**(848,211)**	**300,614**	1,148,825	(848,211)	300,614
Commercial rights - retail	**17,600**	**-**	**17,600**	-	-	-
Software	**690,179**	**(242,284)**	**447,895**	390,413	(195,153)	195,260
	2,040,385	**(1,090,495)**	**949,890**	1,723,019	(1,043,364)	679,655

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18. Intangible assets -- Continued

b) Consolidated:

	Balance at: 12.31.2009	**Additions**	**Amortization**	**Acquisition of Subsidiary**	**Write-offs**	**Transfers**	**Balance at: 12.31.2010**
Goodwill – cash and carry	358,965					-	358,965
Goodwill – electro	279,851	9,233	-			-	289,084
Goodwill – retail	732,766				(3,677)	(5,313)	723,776
Banner – cash and carry	38,639	-	-	-	-	-	38,639
Banner – electro	399,593	1,615,417	-	-	-	-	2,015,010
Commercial rights – electro	196,654	401,011	-	5,601	-	-	603,266
Customer relationship – electro	31,127	-	(6,282)	-	-	-	24,845
Profitable furniture supply agreement – Bartira	-	221,214	(8,562)	-	-	-	212,652
Lease agreement –stores and buildings under profitable condition – Nova casa Bahia	-	256,103	(4,109)	-	-	-	251,994
	-	86,872	-	-	-	-	86,872

Fair Value of investment in Bartira							
Software	182,178	85,878	(130,360)	46,239	15,956	110,986	310,877
Total Intangíble	2,219,773	2,675,728	(149,313)	51,840	12,279	105,673	4,915,980

	Balance at: 12.31.2010	**Additions**	**Amortization**	**Write-offs**	**Transfers**	**Balance at: 12.31.2011**
Goodwill – cash and carry	358,965					**358,965**
Goodwill – electro	289,084	**-**	**-**	**-**	**-**	**289,084**
Goodwill – retail	723,776					**723,776**
Banner – cash and carry	38,639	**-**	**-**	**-**	**-**	**38,639**
Banner – electro	2,015,010	**82**	**-**	**-**	**-**	**2,015,092**
Commercial rights – electro	603,266	**7,779**	**(12,139)**	**(10,793)**	**4,997**	**593,110**
Commercial rights - retail	-	**-**	**-**	**-**	**17,600**	**17,600**
Customer relationship – electro	24,845	**-**	**(6,283)**	**-**	**-**	**18,562**
Profitable furniture supply agreement – Bartira	212,652	**-**	**(77,720)**	**-**	**-**	**134,932**
Lease agreement –stores and buildings under profitable condition – Nova casa Bahia	251,994	**-**	**(50,992)**	**-**	**-**	**201,002**
Fair Value of investment in Bartira	86,872					**86,872**
Software	310,877	**183,774**	**(79,173)**	**(32,407)**	**165,528**	**548,599**
Total Intangíble	4,915,980	**191,635**	**(226,307)**	**(43,200)**	**188,125**	**5,026,233**

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18. Intangible assets -- Continued

b) Consolidated: **--** Continued

	Balances at 12.31.2011			Balances at 12.31.2010		
	Cost	Accumulated Depreciation	Net	Cost	Accumulated Depreciation	Net
Goodwill – cash and carry	**358,965**		**358,965**	358,965		358,965
Goodwill – electro	**289,084**	**-**	**289,084**	289,084	-	289,084
Goodwill – retail (*)	**1,842,279**	**(1,118,503)**	**723,776**	1,842,279	(1,118,503)	723,776
Banner – cash and carry	**38,639**	**-**	**38,639**	38,639	-	38,639
Banner – electro	**2,015,092**	**-**	**2,015,092**	2,015,010	-	2,015,010
Commercial rights – electro	**646,488**	**(53,378)**	**593,110**	644,505	(41,239)	603,266
Commercial rights - retail	**17,600**	**-**	**17,600**	-	-	-
Customer relationship – electro	**34,268**	**(15,706)**	**18,562**	34,268	(9,423)	24,845
Profitable furniture supply agreement – Bartira	**221,214**	**(86,282)**	**134,932**	221,214	(8,562)	212,652
Lease agreement –stores and buildings under profitable condition – Nova casa Bahia	**256,103**	**(55,101)**	**201,002**	256,103	(4,109)	251,994
Fair Value of investment in Bartira	**86,872**	**-**	**86,872**	86,872		86,872
Software	**892,793**	**(344,194)**	**548,599**	575,898	(265,021)	310,877

Total Intangible	**6,699,397**	**(1,673,164)**	**5,026,233**	6,362,837	(1,446,857)	4,915,980

(*) Amortization up to December 31, 2007.

c) <u>Impairment testing of goodwill and intangible assets</u>

On December 31, 2011, the Company calculated the recoverable value of goodwill arising from past acquisitions, whose balance was no longer amortized as of January 1, 2008 to determine whether there were changes in the value of its assets arising from events or changes in the economic, operating and technological circumstances that might indicate impairment for all Cash Generating Units (“CGU”). In accordance with the rule, a cash generating unit cannot be greater than the segment. For goodwill assessment purposes, management understands that the cash generating unit is equivalent to the entity that gave rise to the goodwill at the moment of acquisition, except if this entity already had been incorporated, in this case, the merging entity will be designated as a CGU and all operating assets (net property, plant and equipment, brand, commerce fund and software) will be considered for testing purposes. These tests were conducted pursuant to IFRS 36/CPC 01 requirements, under the following assumptions:

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18. Intangible assets -- Continued

c) Impairment testing of goodwill and intangible assets **--** Continued

Evidence of asset impairment (CGU)

- Asset Carrying Amount (CGU) x 30% of Net Revenue for the year.

Should the asset value exceed that one obtained through impairment test, the CGU undergoes test's second phase, i.e., now on a comparative basis. Net value in use is determined by cash flow net present value to be generated from the use of assets in activities or production. There must be a prospect of future income and deduct the costs related to revenues that are generated by the "Income Approach".

Asset Carrying Amount (CGU) X Cash Flow Statement + Outflow Multiple.

Cash Flow Statement Assumptions + Outflow Multiple:

- Discount Rate of 10.4%;
- Future Revenue Between 2012 and 2015
- Outflow Multiple 9.5 x EBITDA of the fourth year

In addition to the assessment of the value in use based on the discounted cash flow of future four periods plus outflow multiple of 9.5 x EBITDA of the fourth year, the Company, comparatively and for recording purposes, recalculated the asset value, replacing the outflow multiple of 9.5 x EBITDA with perpetuity flow, maintaining all the previous phase's assumptions and considers the inflation index as a factor to subtract the discount rate to obtain perpetuity value.

Therefore, no provision had to be recorded for the impairment.

d) Tradename

The value was subjected to test assets recoverable through the methodology income approach - Relief Royalty form, which consists in determining the value of an asset by measuring the present value of future benefits. Given the indefinite life brand, considered in preparing the discounted cash flow perpetual growth of 2.5%. The royalty rate used was 0.9%

e) Right of use "Fundo de Comércio"

The funds were allocated to the CGU. The CGUs were tested with assets recoverable through the discounted cash flow.

d) Other intangible assets

Software was tested for impairment observing the same criteria set for property and equipment.

Other intangible assets, whose useful life is indefinite, were submitted to impairment test according to the same calculation criteria used in goodwill on investments, it is not necessary a provision for impairment.

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18. Intangible assets—Continued

d) Other intangible assets —Continued

• Definite useful life – store lease agreement and buildings under profitable conditions (10 years), furniture supply agreement under profitable condition (3 years) and customer relationship (5 to 7 years).

19. Loans and borrowings

a) Breakdown of debt

	Parent Company		Consolidated	
	12.31.2011	**12.31.2010**	**12.31.2011**	**12.31.2010**
Debentures (i)				
Debentures	**506,122**	523,574	**506,122**	523,574
Swap contracts (c), (g)	**68**	598	**68**	598
Funding fees	**(4,346)**	(3,497)	**(4,346)**	(3,497)
	501,844	520,675	**501,844**	520,675

Local currency				
BNDES (e)	**109,224**	39,099	**152,629**	80,905
IBM (Note 24)	**-**	-	**6,815**	6,810
Working capital (c)	**38,065**	-	**126,892**	259,077
Consume finance – CDC (c)	**-**	-	**2,263,122**	1,283,059
PAFIDC (Note 11)	**-**	-	**1,235,934**	-
Financial leasing (Note 24)	**55,800**	20,789	**81,643**	64,467
Swap contracts (c), (g)	**(882)**	(3)	**(882)**	(439)
Funding fees	**(6,424)**	(4,525)	**(8,670)**	(8,855)
Anticipation of receivables	**-**	249,997	**-**	249,997
Other	**-**	-	**2,346**	2,085
	195,783	305,357	**3,859,829**	1,937,106
Foreign currency				
Working capital (c)	**15,546**	366,592	**537,023**	414,140
Swap contracts (c), (g)	**(197)**	35,778	**19,163**	43,856
Funding fees	**(298)**	(372)	**(361)**	(661)
	15,051	401,998	**555,825**	457,335
Total current	**712,678**	1,228,030	**4,917,498**	2,915,116

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19. Loans and borrowings—Continued

a) Breakdown of debt—Continued

	Parent Company		Consolidated	
	12.31.2011	**12.31.2010**	**12.31.2011**	**12.31.2010**
Debentures (i)				
Debentures	**2,145,886**	1,075,538	**2,145,886**	1,075,538
Funding fees	**(8,368)**	(8,066)	**(8,368)**	(8,066)
	2,137,518	1,067,472	**2,137,518**	1,067,472
Local currency				
BNDES (e)	**375,560**	358,053	**405,515**	381,372
IBM (Note 24)	**-**	-	**5,112**	11,917
Working capital (c)	**1,098,730**	703,049	**1,406,575**	972,988
Consume finance – CDC (c)	**-**	-	**129,300**	102,106
FIDCs (Note 11)	**-**	-	**1,184,522**	2,280,517
Financial leasing (Note 24)	**152,344**	66,129	**194,788**	101,244
Swap contracts (c), (g)	**(17,129)**	7,967	**(25,779)**	8,134
Funding fees	**(7,244)**	(9,486)	**(7,780)**	(12,272)
	1,602,261	1,125,712	**3,292,253**	3,846,006

Foreign currency				
Working capital (c)	**716,621**	296,147	**832,657**	615,867
Swap contracts (c), (g)	**(26,729)**	35,055	**(21,399)**	63,059
Funding fees	**(129)**	(426)	**(129)**	(468)
	689,763	330,776	**811,129**	678,458
Total noncurrent	**4,429,542**	2,523,960	**6,240,900**	5,591,936
Total	**5,142,220**	3,751,990	**11,158,398**	8,507,052

b) Schedule of loans and borrowings maturity recognized in liabilities noncurrent

Year	**Parent Company**	**Consolidated**
2013	1,563,419	3,343,888
2014	1,621,954	1,644,908
2015	1,047,948	1,048,296
2016	177,837	178,239
After 2016	34,125	41,846
Subtotal	**4,445,283**	**6,257,177**
Funding fees	(15,741)	(16,277)
Total	**4,429,542**	**6,240,900**

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19. Loans and borrowings

c) Financing of working capital, swap and funding for consumer intervention

		Parent Company		Consolidated	
Debt	**Rate**	**12.31.2011**	**12.31.2010**	**12.31.2011**	**12.31.2010**
Local currency					
Itaú Unibanco			-	**-**	14
Banco do Brasil	11.8% per year	**809,769**	703,049	**1,856,869**	1,188,303
Banco do Brasil	98.5% CDI	**327,026**	-	**327,026**	-
Bradesco	12.6% per year	**-**	-	**1,041,287**	657,967
Alfa	CDI + 1.5% per year	**-**	-	**-**	11,040
HSBC	10.3% per year	**-**	-	**-**	4,811
Santander	104% CDI	**-**	-	**88,830**	190,317
Safra	10.4% per year	**-**	-	**611,877**	564,778
		1,136,795	703,049	**3,925,889**	2,617,230
Current		**38,065**	-	**2,390,014**	1,542,136
Noncurrent		**1,098,730**	703,049	**1,535,875**	1,075,094
Foreign currency					
Itaú BBA	USD + 3.2% per year	**534,989**	296,147	**534,989**	296,147
Banco do Brasil	USD + 3.9% per year and 2.3% per year	**-**	-	**317,373**	143,612

Bradesco	USD + 2.7% and 3.9% per year	**-**	-	**115,017**	-
Santander	USD + 2.1% per year	**203**	237,438	**116,239**	337,693
ABN AMRO	YEN + 4.9% per year	**-**	129,154	**89,086**	252,555
HSBC	USD + 2.4% per year	**196,975**	-	**196,976**	-
		732,167	662,739	**1,369,680**	1,030,007
Current		**15,546**	366,592	**537,023**	414,140
Noncurrent		**716,621**	296,147	**832,657**	615,867
Swap contracts					
Itaú Unibanco	CDI 105.0%	**-**	598	**-**	598
Itaú BBA	CDI 102.8%	**(901)**	35,055	**(901)**	35,055
Banco do Brasil	CDI 103.2%	**(18,011)**	7,964	**(15,681)**	18,808
Bradesco	CDI 103.9%	**-**	-	**(4,348)**	-
Santander	CDI 110.7%	**-**	52,814	**18,058**	56,560
ABN AMRO	CDI 104.3%	**68**	(17,036)	**68**	4,187
HSBC	CDI 99.0%	**(26,025)**	-	**(26,025)**	-
		(44,869)	79,395	**(28,829)**	115,208
Current		**(1,011)**	36,373	**18,349**	44,015
Noncurrent		**(43,858)**	43,022	**(47,178)**	71,193
		1,824,093	1,445,183	**5,266,740**	3,762,445

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19. Loans and borrowings -- Continued

c) Financing of working capital, swap and funding for consumer intervention -- Continued

The funds to finance working capital are raised with local financial institutions, denominated in local or foreign currencies. Main operations classified into this item are working capital financing.

d) Consumer finance - CDCI

The operations of consumer finance correspond to the financing of credit sales to customers of subsidiary NCB, through a financial institution. Sales can be paid in up to 24 months and the average financial costs are charged 11.69% a.a. For such contracts, NCB retains substantially all the risks and benefits linked to loans financed with financial institutions secured by promissory notes issued by subsidiary and by assignment of receivables

e) BNDES

The line of credit agreements denominated in Reais, with the Brazilian Development Bank (BNDES), are subject to the indexation based on the TJLP rate (long-term rate), plus annual interest rates, or are denominated based on a basket of foreign currencies to reflect the BNDES, funding portfolio, plus annual fixed interest rates. Financing is paid in monthly installments after a grace period, as mentioned in the table below.

The Company cannot offer any assets as collateral for loans to other parties without the prior authorization of BNDES and it must comply with certain financial ratios, calculated based on the consolidated balance sheet, as follows: (i) maintenance of a capitalization ratio (shareholders' equity/total assets) equal to or in excess of 0.30 and (ii) EBITDA/Net debt equal to or greater than 0.35. The Company controls and monitors these indexes.

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19. Loans and borrowings- Continued

e) BNDES -- Continued

At December 31, 2011, the Company was in compliance with the aforementioned clauses.

Annual financial charges	Number of monthly installments	Maturity	Parent Company 12.31.2011	Parent Company 12.31.2010	Consolidated 12.31.2011	Consolidated 12.31.2010
TJLP + 9.2%	46	Nov/12	**30,285**	63,339	**30,285**	63,339
TJLP + 8.7%	46	Nov/12	**4,375**	9,150	**4,375**	9,150
TJLP + 9.6%	60	Dec/16	**410,327**	324,663	**410,327**	324,663
TJLP + 4.5%	60	Dec/16	**39,797**	-	**39,797**	-
TJLP + 4.5%	24	Jan/11	**-**	-	**-**	147
TJLP + 4.5%	11	Nov/11	**-**	-	**-**	8,889
TJLP + 2.3%	11	Nov/11	**-**	-	**-**	1,109
TJLP + 2.8%	48	Nov/11	**-**	-	**-**	4,459
TJLP + 2.3%	48	Jun/13	**-**	-	**4,127**	43,591
TJLP + 2.3%	48	May/12	**-**	-	**2,112**	4,183
TJLP + 2.8%	48	May/12	**-**	-	**-**	2,725
TJLP + 1.9%	30	Jun/14	-	-	**28,234**	-
7% per year	24	Oct/12	**-**	-	**16,687**	-

TJLP + 1.9% + 1%	30	Jun/14	**-**	-	**12,105**	-
TJLP + 3.5% + 1%	30	Jun/14	**-**	-	**10,095**	22
			484,784	397,152	**558,144**	462,277
Current			**109,224**	39,099	**152,629**	80,905
Noncurrent			**375,560**	358,053	**405,515**	381,372

f) Guarantees

The Company signed promissory notes and letters of guarantee in the loans and borrowings took out with BNDES and IBM.

g) Swap contracts

The Company uses swap operations to exchange liabilities denominated in U.S. dollars and Yen and fixed interest rates with Real pegged to CDI floating interest rates. The Company contracts swap operations with the same counterparty, currency and interest rates. All these transactions are classified as hedge accounting, as disclosed in Note 20. The CDI annual benchmark rate at December 31, 2011 was 11.60% (9.75% in 2010).

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19. Loans and borrowings - Continued

h) Redeemable PAFIDC quotas

As per CPC 38 (IAS 39), the Company records the amounts related to the senior quotas as "Loans and borrowings".

i) Debentures

		Parent Company and Consolidated				
	Type	**Outstanding debentures**	**Annual financial charges**	**Unit price**	**12.31.2011**	**12.31.2010**
6th Issue – 1st Series	No preference	54,000	CDI + 0.5%	6,917	**373,529**	559,195
6th Issue – 2nd Series	No preference	23,965	CDI + 0.5%	6,917	**165,771**	248,169
6th issue – 1st and 2nd Series	Interest rate swap	-	104.96% CDI	6,917	**68**	598
7th Issue – 1st Series	No preference	-	119% of CDI	1,056,320	**-**	234,979

8th Issue – 1st Series	No preference	500	109.5% of CDI	1,253,411	**626,706**	555,772
9th Issue – 1st Series	No preference	610	107.7%% CDI	1,024,010	**685,647**	-
10th Issue – 1st Series	No preference	80,000	108.5% CDI	10,004	**800,355**	-
Funding fees					**(12,714)**	(10,566)
					2,639,362	1,588,147
Current					**501,844**	520,675
Noncurrent					**2,137,518**	1,067,472

(i) Breakdown of outstanding debentures

	Number of debentures	Amount
At 12.31.2010	78,665	1,588,147
Interest rate net of payments and fair value of swap	**-**	**105,746**
Amortisation of issue 6ª	**(25,988)**	**(259,883)**
Amortisation of issue 7ª	**(200)**	**(200,000)**
9ª Issue of Debentures	**610**	**610,000**
10ª Issue of Debentures	**80,000**	**800,000**
Funding fees of issue 10ª	**-**	**(4,648)**
At 12.31.2011	**133,087**	**2,639,362**

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19. Loans and borrowings- Continued

i) *Debentures* — Continued

(i) *Additional information*

			Data		
Description	**6th issue**	**7th issue**	**8th issue**	**9th issue**	**10th issue**
	At March 27, 2007, the Company's Board of Directors approved the issue of 77,965 debentures, corresponding to the total amount of R$ 779,650. The debentures issued within the scope of the 6th issue have	At June 8, 2010, the Company's Board of Directors approved the issue of a restricted offering of 200 non-convertible debentures, in the total amount of R$ 200,000. The debentures issued within the scope of the 7th issue have	At December 4, 2010, the Company's Board of Directors approved the issue of a restricted offering of 500 non-convertible debentures, in the total amount of R$500,000. The debentures issued within the scope of the	At January 5, 2011, the Company's Board of Directors approved the issue and the restricted offering of 610 non-convertible debentures, in the total amount of R$610,000. The debentures issued within the scope of the 9th	

the following characteristics:	the following characteristics:	8th issue have the following characteristics:_