

BRAZILIAN DISTRIBUTION CO COMPANHIA BRASILEIRA DE DISTR CBD

Form 6-K

October 26, 2018

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## FORM 6-K

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

### Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16 of  
the Securities Exchange Act of 1934

For the month of October, 2018

Brazilian Distribution Company

(Translation of Registrant's Name Into English)

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

Brazil

(Address of Principal Executive Offices)

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

Form 20-F ☒ Form 40-F ☐

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

Yes ☐ No ☒

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

Yes ☐ No ☒

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

Yes ☐ No ☒

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*(FreeTranslation into English from the Original Previously Issued in Portuguese.)*

**Companhia Brasileira  
de Distribuição**

*Individual and Consolidated  
Interim Financial Information for the  
Quarter Ended September 30, 2018 and  
Report on Review of Interim Financial Information*

*Ernst & Young auditores Independentes*

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

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

To the Shareholders, Directors and Officers

**Companhia Brasileira de Distribuição**

São Paulo – SP – Brazil

**Introduction**

We have reviewed the accompanying individual and consolidated interim financial information of Companhia Brasileira de Distribuição ("Company"), included in the Quarterly Information Form (ITR) for the quarter ended September 30, 2018, which comprise the balance sheet as of September 30, 2018 and the related statements of income and comprehensive income for the three and nine months periods then ended, and the statements of changes in equity and cash flows for the nine months period then ended, including other explanatory information.

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

**Scope of the review**

We conducted our review in accordance with Brazilian and International Standards on Review Engagements (NBC TR 2410 *Revisão de Informações Intermediárias Executada pelo Auditor da Entidade*)

and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion on the interim financial information**

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

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## **Emphasis of matter**

## **Restatement of corresponding figures**

As mentioned in Note 5, due the adoption of the new accounting pronouncements, the corresponding individual and consolidated figures related to the balance sheet for the year ended December 31, 2017 and the corresponding interim financial information comprising the statements of income and comprehensive income for the three and nine months period ended September 30, 2017, and of changes in equity, cash flow statement and statement of value added (supplemental information) for the nine-month period ended September 30, 2017, presented for comparison purposes, were adjusted and are restated as required by CPC 23 (Accounting Policies, Changes in Accounting Estimates and Error Correction) and CPC 26(R1) - Presentation of Financial Statements. Our conclusion is not modified in respect of this matter.

## **Other matters**

## **Statements of value added**

We have also reviewed the individual and consolidated statements of value added for the nine months period ended September 30, 2018, prepared under the responsibility of the Company's management, the presentation of which in the interim financial information is required by the rules issued by the CVM applicable to preparation of Quarterly Information Form (ITR), and considered as supplementary information under IFRS – International Financial Reporting Standards, which does not require the presentation of the statement of value added. These statements have been subject to the same review procedures previously described and, based on our review, nothing has come to our attention that causes us to believe that they are not prepared, in all material respects, in a manner consistent with the overall individual and consolidated interim financial information.

São Paulo, October 25, 2018.

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ERNST & YOUNG

Auditores Independentes S.S.

CRC-2SP034519/O-6

Antonio Humberto Barros dos Santos

Accountant CRC-1SP161745/O-3

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## Company Information

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| <b>Number of Shares</b> | <b>Current Quarter</b> |
|-------------------------|------------------------|
| <b>(thousand)</b>       | <b>9/30/2017</b>       |
| <b>Share Capital</b>    |                        |
| Common                  | 99,680                 |
| Preferred               | 167,119                |
| Total                   | 266,799                |
| <b>Treasury Shares</b>  |                        |
| Common                  | 0                      |
| Preferred               | 233                    |
| Total                   | 233                    |



FREE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)  
 ITR – Interim Financial Information – September 30, 2018 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

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

| Code          | Description                        | Current Period | Previous Year |
|---------------|------------------------------------|----------------|---------------|
|               |                                    | 09/30/2018     | 12/31/2017    |
| 1             | Total Assets                       | 23,631,000     | 22,863,000    |
| 1.01          | Current Assets                     | 8,915,000      | 9,079,000     |
| 1.01.01       | Cash and Cash Equivalents          | 2,001,000      | 2,868,000     |
| 1.01.03       | Accounts Receivable                | 988,000        | 681,000       |
| 1.01.03.01    | Trade Receivables                  | 750,000        | 428,000       |
| 1.01.03.02    | Other Receivables                  | 238,000        | 253,000       |
| 1.01.04       | Inventories                        | 3,278,000      | 3,042,000     |
| 1.01.06       | Recoverable Taxes                  | 230,000        | 360,000       |
| 1.01.07       | Prepaid Expenses                   | 119,000        | 86,000        |
| 1.01.08       | Other Current Assets               | 2,299,000      | 2,042,000     |
| 1.01.08.01    | Assets Held for Sale               | 2,216,000      | 2,009,000     |
| 1.01.08.03    | Other                              | 83,000         | 33,000        |
|               | Financial Instruments - Fair Value |                |               |
| 1.01.08.03.01 | Hedge                              | 49,000         | 0             |
| 1.01.08.03.02 | Others Assets                      | 34,000         | 33,000        |
| 1.02          | Noncurrent Assets                  | 14,716,000     | 13,784,000    |
| 1.02.01       | Long-term Assets                   | 3,393,000      | 2,939,000     |
| 1.02.01.04    | Accounts Receivable                | 518,000        | 527,000       |
| 1.02.01.04.01 | Trade Receivables                  | 53,000         | 80,000        |
| 1.02.01.04.02 | Other Receivable                   | 465,000        | 447,000       |
| 1.02.01.07    | Deferred taxes                     | 180,000        | 112,000       |
| 1.02.01.08    | Prepaid Expenses                   | 12,000         | 8,000         |
| 1.02.01.09    | Related Parties                    | 249,000        | 206,000       |
| 1.02.01.10    | Other Noncurrent Assets            | 2,434,000      | 2,086,000     |
| 1.02.01.10.04 | Recoverable Taxes                  | 1,746,000      | 1,465,000     |
|               | Restricted Deposits For Legal      |                |               |
| 1.02.01.10.05 | Proceedings                        | 645,000        | 609,000       |
|               | Financial Instruments - Fair Value |                |               |
| 1.02.01.10.06 | Hedge                              | 43,000         | 12,000        |
| 1.02.02       | Investments                        | 4,295,000      | 3,366,000     |
|               | Investments in Associates and      |                |               |
| 1.02.02.01    | Subsidiaries                       | 4,275,000      | 3,345,000     |
| 1.02.02.01.02 | Investments in Subsidiaries        | 4,275,000      | 3,345,000     |
| 1.02.02.02    | Investment properties              | 20,000         | 21,000        |
| 1.02.03       | Property and Equipment             | 5,826,000      | 6,286,000     |
| 1.02.04       | Intangible Assets                  | 1,202,000      | 1,193,000     |



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 ITR – Interim Financial Information – September 30, 2018 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

**Individual Interim Financial Information / Balance Sheet - Liabilities**  
**R\$ (in thousands)**

| <b>Code</b>   | <b>Description</b>                     | <b>Current Period<br/>09/30/2018</b> | <b>Previous<br/>Year<br/>12/31/2017</b> |
|---------------|----------------------------------------|--------------------------------------|-----------------------------------------|
| 2.            | Total Liabilities                      | 23,631,000                           | 22,863,000                              |
| 2.01          | Current Liabilities                    | 6,657,000                            | 8,162,000                               |
| 2.01.01       | Payroll and Related Taxes              | 436,000                              | 441,000                                 |
| 2.01.02       | Trade payables                         | 3,570,000                            | 5,377,000                               |
| 2.01.03       | Taxes and Contributions Payable        | 205,000                              | 228,000                                 |
| 2.01.04       | Borrowings and Financing               | 1,541,000                            | 1,223,000                               |
| 2.01.05       | Other Liabilities                      | 896,000                              | 891,000                                 |
| 2.01.05.01    | Related Parties                        | 436,000                              | 387,000                                 |
| 2.01.05.02    | Other                                  | 460,000                              | 504,000                                 |
|               | Dividends and Interest On Own Capital  |                                      |                                         |
| 2.01.05.02.01 | Payable                                | 98,000                               | 78,000                                  |
| 2.01.05.02.04 | Utilities                              | 16,000                               | 14,000                                  |
| 2.01.05.02.05 | Rent Payable                           | 66,000                               | 120,000                                 |
| 2.01.05.02.06 | Advertisement Payable                  | 26,000                               | 23,000                                  |
| 2.01.05.02.07 | Pass-through Liabilities               | 10,000                               | 14,000                                  |
| 2.01.05.02.08 | Financing of property                  | 35,000                               | 95,000                                  |
| 2.01.05.02.09 | Deferred Revenue                       | 34,000                               | 28,000                                  |
| 2.01.05.02.12 | Other Accounts Payable                 | 154,000                              | 132,000                                 |
| 2.01.05.02.13 | Customer Loyalty Programs              | 21,000                               | 0                                       |
| 2.01.06       | Provisions                             | 9,000                                | 2,000                                   |
| 2.02          | Noncurrent Liabilities                 | 6,194,000                            | 4,513,000                               |
| 2.02.01       | Borrowings and Financing               | 4,416,000                            | 2,876,000                               |
| 2.02.02       | Other Liabilities                      | 852,000                              | 803,000                                 |
| 2.02.02.02    | Other                                  | 852,000                              | 803,000                                 |
| 2.02.02.02.03 | Taxes payable in installments          | 495,000                              | 566,000                                 |
| 2.02.02.02.07 | Other Accounts Payable                 | 15,000                               | 42,000                                  |
|               | Provision For Losses on Investments in |                                      |                                         |
| 2.02.02.02.08 | Associates                             | 342,000                              | 195,000                                 |
| 2.02.04       | Provisions                             | 914,000                              | 812,000                                 |
| 2.02.06       | Deferred Revenue                       | 12,000                               | 22,000                                  |
| 2.03          | Shareholders' Equity                   | 10,780,000                           | 10,188,000                              |
| 2.03.01       | Share Capital                          | 6,824,000                            | 6,822,000                               |
| 2.03.02       | Capital Reserves                       | 405,000                              | 355,000                                 |
| 2.03.02.04    | Stock Option                           | 398,000                              | 348,000                                 |
| 2.03.02.07    | Capital Reserve                        | 7,000                                | 7,000                                   |
| 2.03.04       | Earnings Reserve                       | 3,160,000                            | 3,174,000                               |
| 2.03.04.01    | Legal Reserve                          | 457,000                              | 457,000                                 |
| 2.03.04.05    | Earnings Retention Reserve             | 232,000                              | 233,000                                 |
| 2.03.04.07    | Tax Incentive Reserve                  | 49,000                               | 0                                       |

|            |                                             |           |           |
|------------|---------------------------------------------|-----------|-----------|
| 2.03.04.10 | Expansion Reserve                           | 2,666,000 | 2,728,000 |
| 2.03.04.12 | Transactions with non-controlling interests | -94,000   | -94,000   |
| 2.03.04.14 | Settlement of Equity Instrument             | -150,000  | -150,000  |
| 2.03.05    | Retained Earnings/ Accumulated Losses       | 474,000   | -114,000  |
| 2.03.08    | Other comprehensive income                  | -83,000   | -49,000   |

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 ITR – Interim Financial Information – September 30, 2018 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

**Individual Interim Financial Information / Statement of Operations**  
**R\$ (in thousands)**

| Code       | Description                                                   | Current<br>Quarter<br>07/01/2018 to<br>09/30/2018 | Year to date<br>current<br>period<br>01/01/2018 to<br>09/30/2018 | Previous<br>Quarter<br>07/01/2017 to<br>09/30/2017 | Year to date<br>previous<br>period<br>01/01/2017 to<br>09/30/2017 |
|------------|---------------------------------------------------------------|---------------------------------------------------|------------------------------------------------------------------|----------------------------------------------------|-------------------------------------------------------------------|
| 3.01       | Net operating revenue                                         | 6,328,000                                         | 19,009,000                                                       | 6,171,000                                          | 18,970,000                                                        |
| 3.02       | Cost of sales                                                 | -4,549,000                                        | -13,622,000                                                      | -4,456,000                                         | -13,186,000                                                       |
| 3.03       | Gross Profit                                                  | 1,779,000                                         | 5,387,000                                                        | 1,715,000                                          | 5,784,000                                                         |
| 3.04       | Operating Income/Expenses                                     | -1,507,000                                        | -4,282,000                                                       | -1,549,000                                         | -4,964,000                                                        |
| 3.04.01    | Selling Expenses                                              | -1,264,000                                        | -3,830,000                                                       | -1,229,000                                         | -3,901,000                                                        |
| 3.04.02    | General and administrative expenses                           | -178,000                                          | -535,000                                                         | -188,000                                           | -574,000                                                          |
| 3.04.05    | Other Operating Expenses                                      | -210,000                                          | -618,000                                                         | -278,000                                           | -840,000                                                          |
| 3.04.05.01 | Depreciation and Amortization                                 | -147,000                                          | -454,000                                                         | -149,000                                           | -447,000                                                          |
| 3.04.05.03 | Other operating expenses                                      | -63,000                                           | -164,000                                                         | -129,000                                           | -393,000                                                          |
| 3.04.06    | Share of Profit of associates                                 | 145,000                                           | 701,000                                                          | 146,000                                            | 351,000                                                           |
| 3.05       | Profit From Operations                                        |                                                   |                                                                  |                                                    |                                                                   |
|            | Before Net Financial and Income Tax                           | 272,000                                           | 1,105,000                                                        | 166,000                                            | 820,000                                                           |
| 3.06       | Net Financial Expenses                                        | -117,000                                          | -372,000                                                         | -132,000                                           | -468,000                                                          |
| 3.07       | Income Before Income Tax and Social Contribution              | 155,000                                           | 733,000                                                          | 34,000                                             | 352,000                                                           |
| 3.08       | Income tax and social contribution                            | 18,000                                            | 64,000                                                           | 22,000                                             | -19,000                                                           |
| 3.08.01    | Current                                                       | -7,000                                            | -6,000                                                           | 23,000                                             | -15,000                                                           |
| 3.08.02    | Deferred                                                      | 25,000                                            | 70,000                                                           | -1,000                                             | -4,000                                                            |
| 3.09       | Net Income (Loss) For The Period From Continued Operations    | 173,000                                           | 797,000                                                          | 56,000                                             | 333,000                                                           |
| 3.10       | Net Income (Loss) For The Period From Discontinued Operations | -23,000                                           | -19,000                                                          | -13,000                                            | -37,000                                                           |
| 3.10.01    | Net Income (loss) from Discontinued Operations                | -23,000                                           | -19,000                                                          | -13,000                                            | -37,000                                                           |
| 3.11       | Net Income (loss) for the period                              | 150,000                                           | 778,000                                                          | 43,000                                             | 296,000                                                           |
| 3.99       | Earnings per Share - (Reais/Share)                            |                                                   |                                                                  |                                                    |                                                                   |
| 3.99.01.01 | ON                                                            | 0.52278                                           | 2.74642                                                          | 0.15235                                            | 1.04912                                                           |
| 3.99.01.02 | PN                                                            | 0.58900                                           |                                                                  | 0.16758                                            | 1.15403                                                           |

|            |    |         |         |         |         |
|------------|----|---------|---------|---------|---------|
|            |    |         | 3.02106 |         |         |
| 3.99.02.01 | ON | 0.52246 | 2.74610 | 0.15026 | 1.04912 |
| 3.99.02.02 | PN | 0.58510 | 3.00168 | 0.16512 | 1.14990 |

FREE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)  
 ITR – Interim Financial Information – September 30, 2018 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

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

R\$ (in thousands)

| Code    | Description                                           | Previous<br>Quarter<br>07/01/2018 to<br>09/30/2018 | Current<br>Quarter<br>01/01/2018 to<br>09/30/2018 | Year to date<br>previous<br>period<br>07/01/2017 to<br>09/30/2017 | Year to date<br>current<br>period<br>01/01/2017 to<br>09/30/2017 |
|---------|-------------------------------------------------------|----------------------------------------------------|---------------------------------------------------|-------------------------------------------------------------------|------------------------------------------------------------------|
| 4.01    | Net income (loss) for the<br>Period                   | 150,000                                            | 778,000                                           | 43,000                                                            | 296,000                                                          |
| 4.02    | Other Comprehensive<br>Income                         | -12,000                                            | -34,000                                           | 1,000                                                             | -34,000                                                          |
| 4.02.02 | Foreign currency translation                          | -11,000                                            | -42,000                                           | -1,000                                                            | -11,000                                                          |
| 4.02.04 | Fair value of trade<br>receivables                    | -5,000                                             | 8,000                                             | 3,000                                                             | -29,000                                                          |
| 4.02.05 | Income Taxes Related to<br>Other Comprehensive Income | 4,000                                              | 0                                                 | -1,000                                                            | -6,000                                                           |
| 4.03    | Total Comprehensive Income<br>for the Period          | 138,000                                            | 744,000                                           | 44,000                                                            | 262,000                                                          |

FREE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)  
 ITR – Interim Financial Information – September 30, 2018 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

**Individual Interim Financial Information / Statement of Cash Flows - Indirect Method**  
**R\$ (in thousands)**

| <b>Code</b> | <b>Description</b>                                                               | <b>Year to date current<br/>period 01/01/2018 to<br/>09/30/2018</b> | <b>Year to date<br/>previous period<br/>01/01/2017 to<br/>09/30/2017</b> |
|-------------|----------------------------------------------------------------------------------|---------------------------------------------------------------------|--------------------------------------------------------------------------|
|             | Net Cash Provided by (Used in)                                                   |                                                                     |                                                                          |
| 6.01        | Operating Activities                                                             | -1,807,000                                                          | -1,502,000                                                               |
| 6.01.01     | Cash Provided by the Operations                                                  | 962,000                                                             | 516,000                                                                  |
| 6.01.01.01  | Net Income (Loss) for the Period                                                 | 778,000                                                             | 296,000                                                                  |
| 6.01.01.02  | Deferred Income Tax                                                              | -70,000                                                             | 4,000                                                                    |
| 6.01.01.03  | Losses (Gain) on Disposal of Property<br>and Equipment                           | -1,000                                                              | 75,000                                                                   |
| 6.01.01.04  | Depreciation/Amortization                                                        | 484,000                                                             | 482,000                                                                  |
| 6.01.01.05  | Financial Charges                                                                | 315,000                                                             | 421,000                                                                  |
| 6.01.01.06  | Adjustment to Present Value<br>Share of Profit of Subsidiaries and<br>Associates | 1,000                                                               | 0                                                                        |
| 6.01.01.07  | Provision for Contingencies                                                      | -701,000                                                            | -351,000                                                                 |
| 6.01.01.08  | Provision for Disposals and Impairment                                           | 130,000                                                             | 15,000                                                                   |
| 6.01.01.09  | Share-based Payment                                                              | -2,000                                                              | 4,000                                                                    |
| 6.01.01.10  | Allowance for Doubtful Accounts                                                  | 33,000                                                              | 23,000                                                                   |
| 6.01.01.11  | Allowance for Obsolescence and<br>Damages                                        | 2,000                                                               | 2,000                                                                    |
| 6.01.01.13  | Other Operating Expenses                                                         | 2,000                                                               | -4,000                                                                   |
| 6.01.01.14  | Deferred Revenue                                                                 | 7,000                                                               | -442,000                                                                 |
| 6.01.01.15  | Changes in Assets and Liabilities                                                | -16,000                                                             | -9,000                                                                   |
| 6.01.02     | Accounts Receivable                                                              | -2,769,000                                                          | -2,018,000                                                               |
| 6.01.02.01  | Inventories                                                                      | -287,000                                                            | -532,000                                                                 |
| 6.01.02.02  | Recoverable Taxes                                                                | -238,000                                                            | 111,000                                                                  |
| 6.01.02.03  | Other Assets                                                                     | -144,000                                                            | 92,000                                                                   |
| 6.01.02.04  | Related Parties                                                                  | -48,000                                                             | -46,000                                                                  |
| 6.01.02.05  | Restricted Deposits for Legal Proceeding                                         | -4,000                                                              | -4,000                                                                   |
| 6.01.02.06  | Trade Payables                                                                   | -22,000                                                             | -90,000                                                                  |
| 6.01.02.07  | Payroll and Related Taxes                                                        | -1,807,000                                                          | -1,461,000                                                               |
| 6.01.02.08  | Taxes and Social Contributions Payable                                           | -5,000                                                              | -15,000                                                                  |
| 6.01.02.09  | Provision for Contingencies                                                      | -133,000                                                            | -17,000                                                                  |
| 6.01.02.10  | Deferred Revenue                                                                 | -78,000                                                             | -49,000                                                                  |
| 6.01.02.11  | Other Payables                                                                   | 13,000                                                              | 0                                                                        |
| 6.01.02.12  | Received Dividends and Interest on<br>Shareholders' Equity                       | -23,000                                                             | -47,000                                                                  |
| 6.01.02.15  | Net Cash Provided by (Used in) Investing<br>Activities                           | 7,000                                                               | 40,000                                                                   |
| 6.02        |                                                                                  | -415,000                                                            | -478,000                                                                 |



|         |                                         |            |            |
|---------|-----------------------------------------|------------|------------|
|         | Capital Increase/Decrease on            |            |            |
| 6.02.01 | Subsidiaries                            | -22,000    | -53,000    |
| 6.02.02 | Purchase of Property and Equipment      | -407,000   | -449,000   |
| 6.02.03 | Purchase of Intangible Assets           | -103,000   | -71,000    |
| 6.02.04 | Sales of Property and Equipment         | 117,000    | 95,000     |
|         | Net Cash Provided by (Used in)          |            |            |
| 6.03    | Financing Activities                    | 1,355,000  | -1,688,000 |
| 6.03.01 | Capital Increase                        | 1,000      | 7,000      |
| 6.03.02 | Proceeds from Borrowings and Financing  | 2,687,000  | 2,023,000  |
| 6.03.03 | Payments of Borrowings and Financing    | -1,167,000 | -3,718,000 |
| 6.03.05 | Payment of Dividends                    | -166,000   | 0          |
|         | Net Increase (Decrease) in Cash and     |            |            |
| 6.05    | Cash Equivalents                        | -867,000   | -3,668,000 |
|         | Cash and Cash Equivalents at the        |            |            |
| 6.05.01 | Beginning of the Period                 | 2,868,000  | 4,496,000  |
|         | Cash and Cash Equivalents at the End of |            |            |
| 6.05.02 | the Period                              | 2,001,000  | 828,000    |

FREE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)  
 ITR – Interim Financial Information – September 30, 2018 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

**Individual Interim Financial Information / Statement of Changes in Shareholders' Equity 01/01/2018 to 09/30/2018**  
**R\$ (in thousands)**

| Code       | Description                            | Share Capital | Capital Reserves, Stock Option and Treasury Shares | Earnings Reserve | Retained Earnings / Accumulated Losses | Other comprehensive income | Shareholders' Equity |
|------------|----------------------------------------|---------------|----------------------------------------------------|------------------|----------------------------------------|----------------------------|----------------------|
| 5.01       | Opening Balance                        | 6,822,000     | 355,000                                            | 3,174,000        | 0                                      | -18,000                    | 10,333,000           |
| 5.02       | Prior Year Adjustments                 | 0             | 0                                                  | 0                | -114,000                               | -31,000                    | -145,000             |
| 5.03       | Adjusted Opening Balance               | 6,822,000     | 355,000                                            | 3,174,000        | -114,000                               | -49,000                    | 10,188,000           |
| 5.04       | Capital Transactions with Shareholders | 2,000         | 50,000                                             | -13,000          | -190,000                               | 0                          | -151,000             |
| 5.04.01    | Capital Increases                      | 2,000         | 0                                                  | 0                | 0                                      | 0                          | 2,000                |
| 5.04.03    | Share-Based Expenses                   | 0             | 39,000                                             | 0                | 0                                      | 0                          | 39,000               |
| 5.04.07    | Interest on Own Capital                | 0             | 0                                                  | -13,000          | -190,000                               | 0                          | -203,000             |
| 5.04.08    | Share-Based Expenses Subsidiaries      | 0             | 11,000                                             | 0                | 0                                      | 0                          | 11,000               |
| 5.05       | Total Comprehensive Income             | 0             | 0                                                  | 0                | 778,000                                | -34,000                    | 744,000              |
| 5.05.01    | Net Income (loss) for the Period       | 0             | 0                                                  | 0                | 778,000                                | 0                          | 778,000              |
| 5.05.02    | Other Comprehensive Income             | 0             | 0                                                  | 0                | 0                                      | -34,000                    | -34,000              |
| 5.05.02.04 | Foreing Currency Translation           | 0             | 0                                                  | 0                | 0                                      | -42,000                    | -42,000              |
| 5.05.02.07 | Fair Value of Trade                    | 0             | 0                                                  | 0                | 0                                      | 8,000                      | 8,000                |

|            |                                             |           |         |           |         |         |            |
|------------|---------------------------------------------|-----------|---------|-----------|---------|---------|------------|
|            | Receivables                                 |           |         |           |         |         |            |
|            | Income Taxes                                |           |         |           |         |         |            |
| 5.05.02.08 | Related to Other Comprehensive Internal     | 0         | 0       | 0         | 0       | 0       | 0          |
| 5.06       | Changes of Shareholders' Equity             | 0         | 0       | -1,000    | 0       | 0       | -1,000     |
| 5.06.05    | Transactions with Non-controlling Interests | 0         | 0       | 0         | 0       | 0       | 0          |
| 5.06.06    | Settlement of Equity Instrument             | 0         | 0       | -1,000    | 0       | 0       | -1,000     |
| 5.07       | Closing Balance                             | 6,824,000 | 405,000 | 3,160,000 | 474,000 | -83,000 | 10,780,000 |

FREE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)  
 ITR – Interim Financial Information – September 30, 2018 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

**Individual Interim Financial Information / Statement of Changes in Shareholders' Equity 01/01/2017 to 09/30/2017**  
**R\$ (in thousands)**

| Code       | Description                            | Share Capital | Capital Reserves, Options Granted and Treasury Shares | Earnings Reserve | Retained Earnings / Accumulated Losses | Other comprehensive Income | Shareholders' Equity |
|------------|----------------------------------------|---------------|-------------------------------------------------------|------------------|----------------------------------------|----------------------------|----------------------|
| 5.01       | Opening Balance Prior Year             | 6,811,000     | 331,000                                               | 2,718,000        | 0                                      | 0                          | 9,860,000            |
| 5.02       | Adjustments                            | 0             | 0                                                     | 0                | -75,000                                | -20,000                    | -95,000              |
| 5.03       | Adjusted Opening Balance               | 6,811,000     | 331,000                                               | 2,718,000        | -75,000                                | -20,000                    | 9,765,000            |
| 5.04       | Capital Transactions with Shareholders | 7,000         | 23,000                                                | 0                | 0                                      | 0                          | 30,000               |
| 5.04.01    | Increases                              | 7,000         | 0                                                     | 0                | 0                                      | 0                          | 7,000                |
| 5.04.03    | Share-Based Expenses                   | 0             | 19,000                                                | 0                | 0                                      | 0                          | 19,000               |
| 5.04.08    | Share-Based Expenses Subsidiaries      | 0             | 4,000                                                 | 0                | 0                                      | 0                          | 4,000                |
| 5.05       | Total Comprehensive Income             | 0             | 0                                                     | 0                | 296,000                                | -34,000                    | 262,000              |
| 5.05.01    | Net Income (loss) for the Period       | 0             | 0                                                     | 0                | 296,000                                | 0                          | 296,000              |
| 5.05.02    | Other Comprehensive Income             | 0             | 0                                                     | 0                | 0                                      | -34,000                    | -34,000              |
| 5.05.02.04 | Foreing Currency Translation           | 0             | 0                                                     | 0                | 0                                      | -11,000                    | -11,000              |
| 5.05.02.07 | Fair Value of Trade Receivables        | 0             | 0                                                     | 0                | 0                                      | -29,000                    | -29,000              |
| 5.05.02.08 | Income Taxes Related to Other          | 0             | 0                                                     | 0                | 0                                      | 6,000                      | 6,000                |

|         |                                                                    |           |         |           |         |         |            |
|---------|--------------------------------------------------------------------|-----------|---------|-----------|---------|---------|------------|
| 5.06    | Comprehensive<br>Internal<br>Changes of<br>Shareholders'<br>Equity | 0         | 0       | -4,000    | 0       | 0       | -4,000     |
|         | Transactions<br>with<br>Non-controlling<br>Interests               |           |         |           |         |         |            |
| 5.06.05 | Settlement of<br>Equity                                            | 0         | 0       | -3,000    | 0       | 0       | -3,000     |
| 5.06.06 | Instrument                                                         | 0         | 0       | -1,000    | 0       | 0       | -1,000     |
| 5.07    | Closing Balance                                                    | 6,818,000 | 354,000 | 2,714,000 | 221,000 | -54,000 | 10,053,000 |

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FREE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)  
 ITR – Interim Financial Information – September 30, 2018 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

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

| Code       | Description                                                                              | Year to date current<br>period<br>01/01/2018 to<br>09/30/2018 | Year to date previous<br>period<br>01/01/2017 to<br>09/30/2017 |
|------------|------------------------------------------------------------------------------------------|---------------------------------------------------------------|----------------------------------------------------------------|
|            |                                                                                          |                                                               |                                                                |
| 7.01       | Revenues                                                                                 | 20,735,000                                                    | 20,801,000                                                     |
| 7.01.01    | Sales of Goods, Products and Services                                                    | 20,588,000                                                    | 20,520,000                                                     |
| 7.01.02    | Other Revenues                                                                           | 147,000                                                       | 285,000                                                        |
| 7.01.04    | Allowance for/Reversal of Doubtful Accounts                                              | 0                                                             | -4,000                                                         |
| 7.02       | Products Acquired from Third Parties                                                     | -16,047,000                                                   | -16,147,000                                                    |
| 7.02.01    | Costs of Products, Goods and Services Sold<br>Materials, Energy, Outsourced Services and | -13,628,000                                                   | -13,723,000                                                    |
| 7.02.02    | Other                                                                                    | -2,419,000                                                    | -2,424,000                                                     |
| 7.03       | Gross Value Added                                                                        | 4,688,000                                                     | 4,654,000                                                      |
| 7.04       | Retention                                                                                | -484,000                                                      | -482,000                                                       |
| 7.04.01    | Depreciation and Amortization                                                            | -484,000                                                      | -482,000                                                       |
| 7.05       | Net Value Added Produced                                                                 | 4,204,000                                                     | 4,172,000                                                      |
| 7.06       | Value Added Received in Transfer                                                         | 786,000                                                       | 430,000                                                        |
| 7.06.01    | Share of Profit of Subsidiaries and Associates                                           | 701,000                                                       | 351,000                                                        |
| 7.06.02    | Financial Income                                                                         | 102,000                                                       | 117,000                                                        |
| 7.06.03    | Other                                                                                    | -17,000                                                       | -38,000                                                        |
| 7.07       | Total Value Added to Distribute                                                          | 4,990,000                                                     | 4,602,000                                                      |
| 7.08       | Distribution of Value Added                                                              | 4,990,000                                                     | 4,602,000                                                      |
| 7.08.01    | Personnel                                                                                | 2,337,000                                                     | 2,327,000                                                      |
| 7.08.01.01 | Direct Compensation                                                                      | 1,442,000                                                     | 1,481,000                                                      |
| 7.08.01.02 | Benefits                                                                                 | 444,000                                                       | 471,000                                                        |
|            | Government Severance Indemnity Fund for                                                  |                                                               |                                                                |
| 7.08.01.03 | Employees (FGTS)                                                                         | 132,000                                                       | 138,000                                                        |
| 7.08.01.04 | Other                                                                                    | 319,000                                                       | 237,000                                                        |
| 7.08.02    | Taxes, Fees and Contributions                                                            | 854,000                                                       | 877,000                                                        |
| 7.08.02.01 | Federal                                                                                  | 695,000                                                       | 706,000                                                        |
| 7.08.02.02 | State                                                                                    | 16,000                                                        | -71,000                                                        |
| 7.08.02.03 | Municipal                                                                                | 143,000                                                       | 242,000                                                        |
| 7.08.03    | Value Distributed to Providers of Capital                                                | 1,021,000                                                     | 1,102,000                                                      |
| 7.08.03.01 | Interest                                                                                 | 499,000                                                       | 580,000                                                        |
| 7.08.03.02 | Rentals                                                                                  | 522,000                                                       | 522,000                                                        |
| 7.08.04    | Value Distributed to Shareholders                                                        | 778,000                                                       | 296,000                                                        |
| 7.08.04.01 | Interest on shareholders' equity                                                         | 203,000                                                       | 0                                                              |
|            | Retained Earnings/ Accumulated Losses for the                                            |                                                               |                                                                |
| 7.08.04.03 | Period                                                                                   | 575,000                                                       | 296,000                                                        |

FREE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)  
 ITR – Interim Financial Information – September 30, 2018 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

**Consolidated Interim Financial Information /Balance Sheet - Assets**  
**R\$ (in thousands)**

| <b>Code</b>   | <b>Description</b>                       | <b>Current Period<br/>09/30/2018</b> | <b>Previous<br/>Year<br/>12/31/2017</b> |
|---------------|------------------------------------------|--------------------------------------|-----------------------------------------|
| 1.            | Total Assets                             | 47,877,000                           | 47,707,000                              |
| 1.01          | Current Assets                           | 31,876,000                           | 33,016,000                              |
| 1.01.01       | Cash and Cash Equivalents                | 2,625,000                            | 3,792,000                               |
| 1.01.03       | Accounts Receivable                      | 1,200,000                            | 885,000                                 |
| 1.01.03.01    | Trade Receivables                        | 953,000                              | 618,000                                 |
| 1.01.03.02    | Other Receivables                        | 247,000                              | 267,000                                 |
| 1.01.04       | Inventories                              | 5,540,000                            | 4,822,000                               |
| 1.01.06       | Recoverable Taxes                        | 363,000                              | 596,000                                 |
| 1.01.07       | Prepaid Expenses                         | 174,000                              | 112,000                                 |
| 1.01.08       | Other Current Assets                     | 21,974,000                           | 22,809,000                              |
| 1.01.08.01    | Assets Held for Sale                     | 21,866,000                           | 22,775,000                              |
| 1.01.08.03    | Other                                    | 108,000                              | 34,000                                  |
| 1.01.08.03.01 | Financial Instruments - Fair Value Hedge | 67,000                               | 0                                       |
| 1.01.08.03.02 | Others Assets                            | 41,000                               | 34,000                                  |
| 1.02          | Noncurrent Assets                        | 16,001,000                           | 14,691,000                              |
| 1.02.01       | Long-term Assets                         | 4,593,000                            | 3,452,000                               |
| 1.02.01.04    | Accounts Receivable                      | 714,000                              | 722,000                                 |
| 1.02.01.04.01 | Trade Receivables                        | 53,000                               | 80,000                                  |
| 1.02.01.04.02 | Other Receivable                         | 661,000                              | 642,000                                 |
| 1.02.01.07    | Recoverable Taxes                        | 207,000                              |                                         |

|               |                                            |           |           |
|---------------|--------------------------------------------|-----------|-----------|
|               |                                            |           | 125,000   |
| 1.02.01.08    | Prepaid Expenses                           | 57,000    | 43,000    |
| 1.02.01.09    | Related Parties                            | 33,000    | 25,000    |
| 1.02.01.10    | Other Noncurrent Assets                    | 3,582,000 | 2,537,000 |
| 1.02.01.10.04 | Recoverable Taxes                          | 2,662,000 | 1,747,000 |
| 1.02.01.10.05 | Restricted Deposits For Legal Proceedings  | 799,000   | 762,000   |
| 1.02.01.10.06 | Financial Instruments - Fair Value Hedge   | 121,000   | 28,000    |
| 1.02.02       | Investments                                | 227,000   | 177,000   |
| 1.02.02.01    | Investments in Associates and Subsidiaries | 207,000   | 156,000   |
| 1.02.02.02    | Investment properties                      | 20,000    | 21,000    |
| 1.02.03       | Property and Equipment                     | 9,244,000 | 9,138,000 |
| 1.02.04       | Intangible Assets                          | 1,937,000 | 1,924,000 |



FREE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)  
 ITR – Interim Financial Information – September 30, 2018 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

**Consolidated Interim Financial Information / Balance Sheet - Liabilities**  
**R\$ (in thousands)**

| <b>Code</b>   | <b>Description</b>                          | <b>Current Period<br/>09/30/2018</b> | <b>Previous Year<br/>12/31/2017</b> |
|---------------|---------------------------------------------|--------------------------------------|-------------------------------------|
| 2.            | Total Liabilities                           | 47,877,000                           | 47,707,000                          |
| 2.01          | Current Liabilities                         | 26,608,000                           | 28,992,000                          |
| 2.01.01       | Payroll and Related Taxes                   | 696,000                              | 640,000                             |
| 2.01.02       | Trade payables                              | 6,439,000                            | 8,128,000                           |
| 2.01.03       | Taxes and Contributions Payable             | 286,000                              | 301,000                             |
| 2.01.04       | Borrowings and Financing                    | 1,855,000                            | 1,251,000                           |
| 2.01.05       | Other Liabilities                           | 736,000                              | 845,000                             |
| 2.01.05.01    | Related Parties                             | 159,000                              | 153,000                             |
| 2.01.05.02    | Other                                       | 577,000                              | 692,000                             |
|               | Dividends and Interest On Own Capital       |                                      |                                     |
| 2.01.05.02.01 | Payable                                     | 98,000                               | 78,000                              |
| 2.01.05.02.04 | Utilities                                   | 29,000                               | 23,000                              |
| 2.01.05.02.05 | Rent Payable                                | 66,000                               | 128,000                             |
| 2.01.05.02.06 | Advertisement Payable                       | 35,000                               | 26,000                              |
| 2.01.05.02.07 | Pass-through Liabilities                    | 10,000                               | 14,000                              |
| 2.01.05.02.08 | Financing of property                       | 50,000                               | 116,000                             |
| 2.01.05.02.09 | Deferred Revenue                            | 76,000                               | 146,000                             |
| 2.01.05.02.12 | Other Accounts Payable                      | 192,000                              | 161,000                             |
| 2.01.05.02.13 | Customer Loyalty Programs                   | 21,000                               | 0                                   |
| 2.01.06       | Provisions                                  | 9,000                                | 3,000                               |
| 2.01.07       | Liabilities related to assets held for sale | 16,587,000                           | 17,824,000                          |
| 2.02          | Noncurrent Liabilities                      | 7,507,000                            | 5,674,000                           |
| 2.02.01       | Borrowings and Financing                    | 4,930,000                            | 3,337,000                           |
| 2.02.02       | Other Liabilities                           | 862,000                              | 814,000                             |
| 2.02.02.02    | Other                                       | 862,000                              | 814,000                             |
| 2.02.02.02.03 | Taxes payable in installments               | 495,000                              | 566,000                             |
| 2.02.02.02.07 | Other Accounts Payable                      | 25,000                               | 53,000                              |
|               | Provision For Losses on Investments in      |                                      |                                     |
| 2.02.02.02.08 | Associates                                  | 342,000                              | 195,000                             |
| 2.02.03       | Diferred tax                                | 537,000                              | 394,000                             |
| 2.02.04       | Provisions                                  | 1,166,000                            | 1,107,000                           |
| 2.02.06       | Deferred Revenue                            | 12,000                               | 22,000                              |
| 2.02.06.02    | Deferred Revenue                            | 12,000                               | 22,000                              |
| 2.03          | Shareholders' Equity                        | 13,762,000                           | 13,041,000                          |
| 2.03.01       | Share Capital                               | 6,824,000                            | 6,822,000                           |
| 2.03.02       | Capital Reserves                            | 405,000                              | 355,000                             |
| 2.03.02.04    | Stock Option                                | 398,000                              | 348,000                             |
| 2.03.02.07    | Capital Reserve                             | 7,000                                | 7,000                               |
| 2.03.04       | Earnings Reserve                            | 3,160,000                            | 3,174,000                           |
| 2.03.04.01    | Legal Reserve                               | 457,000                              | 457,000                             |

|            |                                             |           |           |
|------------|---------------------------------------------|-----------|-----------|
| 2.03.04.05 | Earnings Retention Reserve                  | 232,000   | 233,000   |
| 2.03.04.07 | Tax Incentive Reserve                       | 49,000    | 0         |
| 2.03.04.10 | Expansion Reserve                           | 2,666,000 | 2,728,000 |
| 2.03.04.12 | Transactions with non-controlling interests | -94,000   | -94,000   |
| 2.03.04.14 | Settlement of Equity Instrument             | -150,000  | -150,000  |
|            | Retained Earnings/ Accumulated              |           |           |
| 2.03.05    | Losses                                      | 474,000   | -114,000  |
| 2.03.08    | Other comprehensive income                  | -83,000   | -49,000   |
| 2.03.09    | Non-Controlling interests                   | 2,982,000 | 2,853,000 |

FREE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)  
 ITR – Interim Financial Information – September 30, 2018 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

**Consolidated Interim Financial Information /**  
**Statement of Operations**  
**R\$ (in thousands)**

| Code       | Description                                                   | Current<br>Quarter<br>07/01/2018<br>to<br>09/30/2018 | Year to<br>date<br>current<br>period<br>01/01/2018<br>to<br>09/30/2018 | Previous<br>Quarter<br>07/01/2017<br>to<br>09/30/2017 | Year to<br>date<br>previous<br>period<br>01/01/2017<br>to<br>09/30/2017 |
|------------|---------------------------------------------------------------|------------------------------------------------------|------------------------------------------------------------------------|-------------------------------------------------------|-------------------------------------------------------------------------|
| 3.01       | Net operating revenue                                         | 12,259,000                                           | 35,377,000                                                             | 10,910,000                                            | 32,125,000                                                              |
| 3.02       | Cost of sales                                                 | -9,545,000                                           | -27,018,000                                                            | -8,468,000                                            | -24,329,000                                                             |
| 3.03       | Gross Profit                                                  | 2,714,000                                            | 8,359,000                                                              | 2,442,000                                             | 7,796,000                                                               |
| 3.04       | Operating Income/Expenses                                     | -2,322,000                                           | -6,936,000                                                             | -2,240,000                                            | -6,845,000                                                              |
| 3.04.01    | Selling Expenses                                              | -1,798,000                                           | -5,324,000                                                             | -1,657,000                                            | -5,079,000                                                              |
| 3.04.02    | General and administrative expenses                           | -250,000                                             | -742,000                                                               | -247,000                                              | -736,000                                                                |
| 3.04.05    | Other Operating Expenses                                      | -266,000                                             | -818,000                                                               | -324,000                                              | -978,000                                                                |
| 3.04.05.01 | Depreciation and Amortization                                 | -206,000                                             | -625,000                                                               | -194,000                                              | -574,000                                                                |
| 3.04.05.03 | Other operating expenses                                      | -60,000                                              | -193,000                                                               | -130,000                                              | -404,000                                                                |
| 3.04.06    | Share of Profit of associates                                 | -8,000                                               | -52,000                                                                | -12,000                                               | -52,000                                                                 |
| 3.05       | Profit From Operations Before Net Financial and Income Tax    | 392,000                                              | 1,423,000                                                              | 202,000                                               | 951,000                                                                 |
| 3.06       | Net Financial Expenses                                        | -135,000                                             | -414,000                                                               | -154,000                                              | -524,000                                                                |
| 3.07       | Income (Loss) Before Income Tax and Social Contribution       | 257,000                                              | 1,009,000                                                              | 48,000                                                | 427,000                                                                 |
| 3.08       | Income tax and social contribution                            | -70,000                                              | -283,000                                                               | -38,000                                               | -180,000                                                                |
| 3.08.01    | Current                                                       | -112,000                                             | -224,000                                                               | 76,000                                                | -125,000                                                                |
| 3.08.02    | Deferred                                                      | 42,000                                               | -59,000                                                                | -114,000                                              | -55,000                                                                 |
| 3.09       | Net Income (Loss) For The Period From Continued Operations    | 187,000                                              | 726,000                                                                | 10,000                                                | 247,000                                                                 |
| 3.10       | Net Income (Loss) For The Period From Discontinued Operations | -49,000                                              | 163,000                                                                | 91,000                                                | 178,000                                                                 |
| 3.10.01    | Net Income (loss) from Descontinued Operations                | -49,000                                              | 163,000                                                                | 91,000                                                | 178,000                                                                 |
| 3.11       | Net Income (loss) for the period                              | 138,000                                              | 889,000                                                                | 101,000                                               | 425,000                                                                 |
| 3.11.01    | Attributable to controlling shareholders                      | 150,000                                              | 778,000                                                                | 43,000                                                | 296,000                                                                 |
| 3.11.02    | Attributable to Non-controlling shareholders                  | -12,000                                              | 111,000                                                                | 58,000                                                | 129,000                                                                 |
| 3.99       | Earnings per Share - (Reais/Share)                            |                                                      |                                                                        |                                                       |                                                                         |
| 3.99.01    | Basic Earnings per Share                                      |                                                      |                                                                        |                                                       |                                                                         |
| 3.99.01.01 | ON                                                            | 0.52278                                              | 2.74642                                                                | 0.15235                                               | 1.04912                                                                 |

|            |    |         |         |         |         |
|------------|----|---------|---------|---------|---------|
| 3.99.01.02 | PN | 0.58900 | 3.02106 | 0.16758 | 1.15403 |
| 3.99.02    | PN |         |         |         |         |
| 3.99.02.01 | PN | 0.52246 | 2.74610 | 0.15026 | 1.04912 |
| 3.99.02.02 | PN | 0.58510 | 3.00168 | 0.16512 | 1.14990 |

FREE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)  
 ITR – Interim Financial Information – September 30, 2018 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

**Consolidated Interim Financial Information / Statement of Comprehensive Income**  
**R\$ (in thousands)**

| <b>Code</b> | <b>Description</b>                                 | <b>Current<br/>Quarter<br/>07/01/2018 to<br/>09/30/2018</b> | <b>Year to date<br/>current period<br/>01/01/2018 to<br/>09/30/2018</b> | <b>Previous<br/>Quarter<br/>07/01/2017 to<br/>09/30/2017</b> | <b>Year to<br/>date<br/>previous<br/>period<br/>01/01/2017<br/>to<br/>09/30/2017</b> |
|-------------|----------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------------------|--------------------------------------------------------------|--------------------------------------------------------------------------------------|
| 4.01        | Net income (loss) for the Period                   | 138,000                                                     | 889,000                                                                 | 101,000                                                      | 425,000                                                                              |
| 4.02        | Other Comprehensive Income                         | -9,000                                                      | -26,000                                                                 | 8,000                                                        | -44,000                                                                              |
| 4.02.02     | Foreign currency translation                       | -11,000                                                     | -42,000                                                                 | -1,000                                                       | -11,000                                                                              |
| 4.02.04     | Fair value of trade receivables                    | -4,000                                                      | 16,000                                                                  | 13,000                                                       | -40,000                                                                              |
| 4.02.05     | Income Taxes Related to Other Comprehensive Income | 6,000                                                       | 0                                                                       | -4,000                                                       | 7,000                                                                                |
| 4.03        | Total Comprehensive Income for the Period          | 129,000                                                     | 863,000                                                                 | 109,000                                                      | 381,000                                                                              |
| 4.03.01     | Attributable to controlling shareholders           | 138,000                                                     | 744,000                                                                 | 44,000                                                       | 262,000                                                                              |
| 4.03.02     | Attributable to Non-Controlling shareholders       | -9,000                                                      | 119,000                                                                 | 65,000                                                       | 119,000                                                                              |

FREE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)  
 ITR – Interim Financial Information – September 30, 2018 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

**Consolidated Interim Financial Information / Statement of Cash Flows - Indirect Method**  
**R\$ (in thousands)**

| <b>Code</b> | <b>Description</b>                         | <b>Year to date<br/>current period<br/>01/01/2018 to<br/>09/30/2018</b> | <b>Year to date<br/>previous period<br/>01/01/2017 to<br/>09/30/2017</b> |
|-------------|--------------------------------------------|-------------------------------------------------------------------------|--------------------------------------------------------------------------|
|             | Net Cash Provided by (Used in) Operating   |                                                                         |                                                                          |
| 6.01        | Activities                                 | -3,844,000                                                              | -4,245,000                                                               |
| 6.01.01     | Cash from Operations                       | 2,607,000                                                               | 1,996,000                                                                |
| 6.01.01.01  | Net Income (Loss) for the Period           | 889,000                                                                 | 425,000                                                                  |
| 6.01.01.02  | Deferred Income Tax                        | 123,000                                                                 | -56,000                                                                  |
|             | Losses (Gain) on Disposal of Property and  |                                                                         |                                                                          |
| 6.01.01.03  | Equipment                                  | 106,000                                                                 | 88,000                                                                   |
| 6.01.01.04  | Depreciation/Amortization                  | 662,000                                                                 | 614,000                                                                  |
| 6.01.01.05  | Interest and Inflation Adjustments         | 608,000                                                                 | 703,000                                                                  |
| 6.01.01.06  | Adjustment to Present Value                | 1,000                                                                   | 0                                                                        |
|             | Share of Profit (Loss) of Subsidiaries and |                                                                         |                                                                          |
| 6.01.01.07  | Associates                                 | 31,000                                                                  | 36,000                                                                   |
| 6.01.01.08  | Provision for Contingencies                | 404,000                                                                 | 403,000                                                                  |
| 6.01.01.09  | Provision for Disposals and Impairment     | -2,000                                                                  | 4,000                                                                    |
| 6.01.01.10  | Share-based Payment                        | 33,000                                                                  | 23,000                                                                   |
| 6.01.01.11  | Allowance for Doubtful Accounts            | 464,000                                                                 | 521,000                                                                  |
| 6.01.01.13  | Allowance for Obsolescence/breakage        | -19,000                                                                 | -26,000                                                                  |
| 6.01.01.14  | Other Operating Expenses                   | -369,000                                                                | -447,000                                                                 |
| 6.01.01.15  | Deferred Revenue                           | -324,000                                                                | -292,000                                                                 |
| 6.01.02     | Changes in Assets and Liabilities          | -6,451,000                                                              | -6,241,000                                                               |
| 6.01.02.01  | Accounts Receivable                        | -765,000                                                                | -2,287,000                                                               |
| 6.01.02.02  | Inventories                                | -1,877,000                                                              | -1,075,000                                                               |
| 6.01.02.03  | Recoverable Taxes                          | -935,000                                                                | -93,000                                                                  |
| 6.01.02.04  | Other Assets                               | -42,000                                                                 | -49,000                                                                  |
| 6.01.02.05  | Related Parties                            | 188,000                                                                 | 131,000                                                                  |
| 6.01.02.06  | Restricted Deposits for Legal Proceeding   | -11,000                                                                 | -286,000                                                                 |
| 6.01.02.07  | Trade Payables                             | -1,995,000                                                              | -2,446,000                                                               |
| 6.01.02.08  | Payroll and Related Taxes                  | -14,000                                                                 | 68,000                                                                   |
| 6.01.02.09  | Taxes and Social Contributions Payable     | 81,000                                                                  | -229,000                                                                 |
| 6.01.02.10  | Provision for Contingencies                | -756,000                                                                | -252,000                                                                 |
| 6.01.02.11  | Deferred Revenue                           | 137,000                                                                 | -7,000                                                                   |
| 6.01.02.12  | Other Payables                             | -108,000                                                                | 203,000                                                                  |
| 6.01.02.13  | Income Tax and Social contribution         | -354,000                                                                | -74,000                                                                  |
|             | Received Dividends and Interest on         |                                                                         |                                                                          |
| 6.01.02.15  | shareholders' equity                       | 0                                                                       | 155,000                                                                  |
|             | Net Cash Provided by (Used in) Investing   |                                                                         |                                                                          |
| 6.02        | Activities                                 | -1,404,000                                                              | -1,103,000                                                               |
| 6.02.02     | Purchase of Property and Equipment         | -1,213,000                                                              | -988,000                                                                 |

|         |                                           |            |            |
|---------|-------------------------------------------|------------|------------|
| 6.02.03 | Purchase of Intangible Assets             | -339,000   | -221,000   |
| 6.02.04 | Sales of Property and Equipment           | 148,000    | 106,000    |
| 6.03    | Net Cash Provided by Financing Activities | 951,000    | -1,989,000 |
| 6.03.01 | Capital Increase/Decrease                 | 1,000      | 7,000      |
| 6.03.02 | Proceeds from Borrowings and Financing    | 7,096,000  | 6,289,000  |
| 6.03.03 | Payments of Borrowings and Financing      | -5,972,000 | -8,277,000 |
| 6.03.05 | Payment of Dividends                      | -174,000   | 0          |
|         | Proceeds from Equity Offering, Net of     |            |            |
| 6.03.07 | Issue Costs                               | 0          | -8,000     |
|         | Increase (Decrease) in Cash and Cash      |            |            |
| 6.05    | Equivalents                               | -4,297,000 | -7,337,000 |
|         | Cash and Cash Equivalents at the          |            |            |
| 6.05.01 | Beginning of the Period                   | 7,351,000  | 9,142,000  |
|         | Cash and Cash Equivalents at the End of   |            |            |
| 6.05.02 | the Period                                | 3,054,000  | 1,805,000  |

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 ITR – Interim Financial Information – September 30, 2018 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

**Consolidated Interim Financial Information / Statement of Changes in Shareholders' Equity 01/01/2018 to 09/30/2018**  
**R\$ (in thousands)**

| Code       | Description                             | Share Capital | Capital Reserves, Options Granted and Treasury Shares | Earnings Reserves | Retained Earnings/ Accumulated Losses | Other comprehensive Income | Shareholders' Non-Controlling Equity |
|------------|-----------------------------------------|---------------|-------------------------------------------------------|-------------------|---------------------------------------|----------------------------|--------------------------------------|
| 5.01       | Opening Balance Prior Year              | 6,822,000     | 355,000                                               | 3,174,000         | 0                                     | -18,000                    | 10,333,000                           |
| 5.02       | Adjustments Adjusted Opening Balance    | 0             | 0                                                     | 0                 | -114,000                              | -31,000                    | -145,000                             |
| 5.03       | Capital Transactions with Shareholders  | 6,822,000     | 355,000                                               | 3,174,000         | -114,000                              | -49,000                    | 10,188,000                           |
| 5.04       | Capital Increases                       | 2,000         | 50,000                                                | -13,000           | -190,000                              | 0                          | -151,000                             |
| 5.04.01    | Share-Based Expenses                    | 2,000         | 0                                                     | 0                 | 0                                     | 0                          | 2,000                                |
| 5.04.03    | Options Granted                         | 0             | 39,000                                                | 0                 | 0                                     | 0                          | 39,000                               |
| 5.04.07    | - subsidiaries Share-Based Expenses     | 0             | 0                                                     | -13,000           | -190,000                              | 0                          | -203,000                             |
| 5.04.08    | Subsidiaries Total Comprehensive Income | 0             | 11,000                                                | 0                 | 0                                     | 0                          | 11,000                               |
| 5.05       | Net Income (loss) for the Period        | 0             | 0                                                     | 0                 | 778,000                               | -34,000                    | 744,000                              |
| 5.05.01    | Other Comprehensive Income              | 0             | 0                                                     | 0                 | 778,000                               | 0                          | 778,000                              |
| 5.05.02    | Foreign Currency Translation            | 0             | 0                                                     | 0                 | 0                                     | -34,000                    | -34,000                              |
| 5.05.02.04 | Fair Value of Trade Receivables         | 0             | 0                                                     | 0                 | 0                                     | -42,000                    | -42,000                              |
| 5.05.02.07 |                                         | 0             | 0                                                     | 0                 | 0                                     | 8,000                      | 8,000                                |



|         |                                                                                                           |           |         |           |         |         |            |
|---------|-----------------------------------------------------------------------------------------------------------|-----------|---------|-----------|---------|---------|------------|
| 5.06    | Internal<br>Changes of<br>Shareholders'<br>Equity<br>Transactions<br>with<br>Non-controlling<br>Interests | 0         | 0       | -1,000    | 0       | 0       | -1,000     |
| 5.06.05 | Settlement of<br>Equity<br>Instrument                                                                     | 0         | 0       | 0         | 0       | 0       | 0          |
| 5.06.06 |                                                                                                           | 0         | 0       | -1,000    | 0       | 0       | -1,000     |
| 5.07    | Closing Balance                                                                                           | 6,824,000 | 405,000 | 3,160,000 | 474,000 | -83,000 | 10,780,000 |

FREE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)  
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**Consolidated Interim Financial Information / Statement of Changes in Shareholders' Equity 01/01/2017 to 09/30/2018**  
**R\$ (in thousands)**

| Code       | Description                            | Share Capital | Capital Reserves, Options Granted and Treasury Shares | Earnings Reserves | Retained Earnings/Accumulated Losses | Other comprehensive Income | Shareholders' Non-Controlling Equity |
|------------|----------------------------------------|---------------|-------------------------------------------------------|-------------------|--------------------------------------|----------------------------|--------------------------------------|
| 5.01       | Opening Balance Prior Year             | 6,811,000     | 331,000                                               | 2,718,000         | 0                                    | 0                          | 9,860,000                            |
| 5.02       | Adjustments                            | 0             | 0                                                     | 0                 | -75,000                              | -20,000                    | -95,000                              |
| 5.03       | Adjusted Opening Balance               | 6,811,000     | 331,000                                               | 2,718,000         | -75,000                              | -20,000                    | 9,765,000                            |
| 5.04       | Capital Transactions with Shareholders | 7,000         | 23,000                                                | 0                 | 0                                    | 0                          | 30,000                               |
| 5.04.01    | Increases                              | 7,000         | 0                                                     | 0                 | 0                                    | 0                          | 7,000                                |
| 5.04.03    | Share-Based Expenses                   | 0             | 19,000                                                | 0                 | 0                                    | 0                          | 19,000                               |
| 5.04.08    | Share-Based Expenses Subsidiaries      | 0             | 4,000                                                 | 0                 | 0                                    | 0                          | 4,000                                |
| 5.05       | Total Comprehensive Income             | 0             | 0                                                     | 0                 | 296,000                              | -34,000                    | 262,000                              |
| 5.05.01    | Net Income (loss) for the Period       | 0             | 0                                                     | 0                 | 296,000                              | 0                          | 296,000                              |
| 5.05.02    | Other Comprehensive Income             | 0             | 0                                                     | 0                 | 0                                    | -34,000                    | -34,000                              |
| 5.05.02.04 | Foreing Currency Translation           | 0             | 0                                                     | 0                 | 0                                    | -11,000                    | -11,000                              |
| 5.05.02.07 | Fair Value of Trade Receivables        | 0             | 0                                                     | 0                 | 0                                    | -29,000                    | -29,000                              |
| 5.05.02.08 | Income Taxes Related to Other          | 0             | 0                                                     | 0                 | 0                                    | 6,000                      | 6,000                                |

|         |                                                                    |           |         |           |         |         |            |
|---------|--------------------------------------------------------------------|-----------|---------|-----------|---------|---------|------------|
| 5.06    | Comprehensive<br>Internal<br>Changes of<br>Shareholders'<br>Equity | 0         | 0       | -4,000    | 0       | 0       | -4,000     |
|         | Transactions<br>with<br>Non-controlling<br>Interests               |           |         |           |         |         |            |
| 5.06.05 | Settlement of<br>Equity                                            | 0         | 0       | -3,000    | 0       | 0       | -3,000     |
| 5.06.06 | Instrument                                                         | 0         | 0       | -1,000    | 0       | 0       | -1,000     |
| 5.07    | Closing Balance                                                    | 6,818,000 | 354,000 | 2,714,000 | 221,000 | -54,000 | 10,053,000 |

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FREE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)  
 ITR – Interim Financial Information – September 30, 2018 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

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

| <b>Code</b>   | <b>Description</b>                    | <b>Year to date<br/>current period<br/>01/01/2018 to<br/>09/30/2018</b> | <b>Year to date<br/>previous period<br/>01/01/2017 to<br/>09/30/2017</b> |
|---------------|---------------------------------------|-------------------------------------------------------------------------|--------------------------------------------------------------------------|
| 7.01          | Revenues                              | 38,533,000                                                              | 35,135,000                                                               |
| 7.01.01       | Sales of Goods, Products and Services | 38,378,000                                                              | 34,844,000                                                               |
| 7.01.02       | Other Revenues                        | 156,000                                                                 | 294,000                                                                  |
|               | Allowance for/Reversal of Doubtful    |                                                                         |                                                                          |
| 7.01.04       | Accounts                              | -1,000                                                                  | -3,000                                                                   |
| 7.02          | Products Acquired from Third Parties  | -31,209,000                                                             | -28,656,000                                                              |
|               | Costs of Products, Goods and          |                                                                         |                                                                          |
| 7.02.01       | Services Sold                         | -28,014,000                                                             | -25,672,000                                                              |
|               | Materials, Energy, Outsourced         |                                                                         |                                                                          |
| 7.02.02       | Services and Other                    | -3,195,000                                                              | -2,984,000                                                               |
| 7.03          | Gross Value Added                     | 7,324,000                                                               | 6,479,000                                                                |
| 7.04          | Retention                             | -662,000                                                                | -614,000                                                                 |
| 7.04.01       | Depreciation and Amortization         | -662,000                                                                | -614,000                                                                 |
| 7.05          | Net Value Added Produced              | 6,662,000                                                               | 5,865,000                                                                |
| 7.06          | Value Added Received in Transfer      | 242,000                                                                 | 268,000                                                                  |
|               | Share of Profit of Subsidiaries and   |                                                                         |                                                                          |
| 7.06.01       | Associates                            | -52,000                                                                 | -52,000                                                                  |
| 7.06.02       | Financial Revenue                     | 131,000                                                                 | 142,000                                                                  |
| 7.06.03       | Other                                 | 163,000                                                                 | 178,000                                                                  |
| 7.07          | Total Value Added to Distribute       | 6,904,000                                                               | 6,133,000                                                                |
| 7.08          | Distribution of Value Added           | 6,904,000                                                               | 6,133,000                                                                |
| 7.08.01       | Personnel                             | 3,208,000                                                               | 3,025,000                                                                |
| 7.08.01.01    | Direct Compensation                   | 2,020,000                                                               | 1,928,000                                                                |
| 7.08.01.02    | Benefits                              | 662,000                                                                 | 644,000                                                                  |
|               | Government Severance Indemnity        |                                                                         |                                                                          |
| 7.08.01.03    | Fund for Employees (FGTS)             | 181,000                                                                 | 176,000                                                                  |
| 7.08.01.04    | Other                                 | 345,000                                                                 | 277,000                                                                  |
| 7.08.01.04.01 | Profit (cost) sharing                 | 345,000                                                                 | 277,000                                                                  |
| 7.08.02       | Taxes, Fees and Contributions         | 1,557,000                                                               | 1,356,000                                                                |
| 7.08.02.01    | Federal                               | 1,160,000                                                               | 958,000                                                                  |
| 7.08.02.02    | State                                 | 224,000                                                                 | 135,000                                                                  |
| 7.08.02.03    | Municipal                             | 173,000                                                                 | 263,000                                                                  |
|               | Value Distributed to Providers of     |                                                                         |                                                                          |
| 7.08.03       | Capital                               | 1,250,000                                                               | 1,327,000                                                                |
| 7.08.03.01    | Interest                              | 573,000                                                                 | 659,000                                                                  |
| 7.08.03.02    | Rentals                               | 677,000                                                                 | 668,000                                                                  |
| 7.08.04       | Value Distributed to Shareholders     | 889,000                                                                 | 425,000                                                                  |
| 7.08.04.01    | Interest on shareholders' equity      | 203,000                                                                 | 0                                                                        |

|            |                                                         |         |         |
|------------|---------------------------------------------------------|---------|---------|
| 7.08.04.03 | Retained Earnings/ Accumulated<br>Losses for the Period | 575,000 | 296,000 |
| 7.08.04.04 | Noncontrolling Interest in Retained<br>Earnings         | 111,000 | 129,000 |

*São Paulo, October 25, 2018 - GPA [B3: PCAR4; NYSE: CBD] announces its results for the third quarter of 2018. Due to the ongoing divestment of the interest held by GPA in Via Varejo S.A., as announced in the material fact notice of November 23, 2016, the operations of Via Varejo are treated as discontinued operations. Accordingly, net sales and other profit or loss accounts were adjusted retrospectively, as required under IFRS 5/CPC 31, approved by CVM Resolution 598/09 – Non-current assets held for sale and discontinued operations. The following statements are related to the results of continuing operations. All comparisons are with the same period of 2017, except where stated otherwise.*

### 3Q18 EARNINGS

#### GPA Food:

**Gross sales of R\$13.3 billion, with growth accelerating to 12.8% (vs. 9.9% in 2Q18), driven by continued improvement at Multivarejo and another quarter of robust performance at Assaí;**

**Solid improvement in Adjusted EBITDA, which reached R\$697 million (+22.3%), with margin expanding from 5.2% to 5.7% in 3Q18;**

**Strong growth in net income<sup>(\*)</sup>, which came to R\$215 million, 5.2 times higher than the net income reported in 3Q17, with net margin expanding from 0.4% to 1.8%;**

**The leverage ratio remained low at around -1.15x EBITDA, reinforcing the Company's solid financial structure.**

#### Multivarejo:

**Gross sales of R\$6.9 billion, with same-store sales growth ex calendar effect accelerating to 6.1%, confirming the recovery since the start of the year. All banners continued to capture market share gains, with the highlight the Extra Hiper and Proximity banners;**

**Gross margin of 27.9%, stable in relation to 3Q17, reflecting the adequate level of price competitiveness;**

**Operating expenses diluted by 10 bps, reflecting the higher sales and ongoing cost discipline, with the highlight the productivity gains at stores;**

**Adjusted EBITDA came to R\$362 million, advancing 4.8%. Adjusted EBITDA margin expanded 20 bps to 5.7%, surpassing the guidance given for the year and reflecting the consistent results in the last three quarters;**

**Net income<sup>(\*)</sup> amounted to R\$39 million, with net margin of 0.6%.**

**Assaí:**

**Gross sales came to R\$6.4 billion**, marking another quarter of strong growth, which translated into an important market share gain in the period;

**Gross margin stood at 15.9%**, following the trend of prior quarters, supported by the successful organic expansion and conversions of Extra Hiper stores and by the reemergence of inflation, after the deflation registered in 3Q17;

**Adjusted EBITDA posted strong growth of 49.4% to R\$335 million**, with adjusted EBITDA margin expanding 90 bps to 5.7%;

**Robust growth of the net income, which reached R\$176 million and up 55.6%**, presenting a net margin of 3.0%.

| <b>(R\$ million)<sup>(1)</sup></b>       | <b>3Q18</b>  | <b>3Q17</b>  | <b>Δ</b>       | <b>3Q18</b>  | <b>3Q17</b>  | <b>Δ</b>       | <b>3Q18</b> |
|------------------------------------------|--------------|--------------|----------------|--------------|--------------|----------------|-------------|
| Gross Revenue                            | 13,307       | 11,791       | 12.8%          | 13,307       | 11,791       | 12.8%          | 6,9         |
| Net Revenue                              | 12,258       | 10,909       | 12.4%          | 12,258       | 10,909       | 12.4%          | 6,3         |
| Gross Profit                             | 2,714        | 2,441        | 11.2%          | 2,714        | 2,441        | 11.2%          | 1,7         |
| <b>Gross Margin</b>                      | <b>22.1%</b> | <b>22.4%</b> | <b>-30 bps</b> | <b>22.1%</b> | <b>22.4%</b> | <b>-30 bps</b> | <b>27.9</b> |
| Selling, General and Adm. Expenses       | (2,048)      | (1,904)      | 7.5%           | (2,048)      | (1,904)      | 7.5%           | (1,45       |
| <b>% of Net Revenue</b>                  | <b>16.7%</b> | <b>17.5%</b> | <b>-80 bps</b> | <b>16.7%</b> | <b>17.5%</b> | <b>-80 bps</b> | <b>22.7</b> |
| Adjusted EBITDA <sup>(2)(3)</sup>        | 670          | 539          | 24.3%          | 697          | 570          | 22.3%          | 3           |
| <b>Adjusted EBITDA Margin</b>            | <b>5.5%</b>  | <b>4.9%</b>  | <b>60 bps</b>  | <b>5.7%</b>  | <b>5.2%</b>  | <b>50 bps</b>  | <b>5.7</b>  |
| Net Income - Controlling Shareholders    | 188          | 10           | n.a.           | 215          | 41           | 422.6%         |             |
| - continuing operations                  |              |              |                |              |              |                |             |
| <b>Net Margin- continuing operations</b> | <b>1.5%</b>  | <b>0.1%</b>  | <b>140 bps</b> | <b>1.8%</b>  | <b>0.4%</b>  | <b>140 bps</b> | <b>0.6</b>  |

(\*) Net income attributed to the controlling shareholders from continuing operations.

(1) Sums and percentages may present discrepancies due to rounding. All margins were calculated as a percentage of net sales.

(2) Earnings before interest, tax, depreciation and amortization. (3) EBITDA adjusted by Other Operating Income and Expenses.

## Outlook:

The performance in **3Q18** corroborates the expectation of meeting the **guidance given for 2018**:

**Same-store sales growth:** above inflation at Assaí and in line with food inflation at Multivarejo, supporting continued market share gains;

**Adjusted EBITDA margin:** 5.5%-5.6% at Multivarejo and 5.8%-5.9% at Assaí;

**Financial Result:** around 1% of net sales;

**LATAM synergies:** should reach over US\$85 million in savings for the Brazil perimeter.

*"The consistency of the results demonstrates the assertiveness of the implemented initiatives with expressive gains of share and profitability. At Multivarejo, the sequential evolution of sales and higher profitability is already seen in the last 3 quarters. At Assaí, we continued to deliver strong sales performance and high profitability. Among the strategic priorities, we have made important progress in the Digital Transformation and in the strengthening of our private label. We continue with our expansion plan, conversion and renovation of stores, seeking a more adjusted portfolio. Our execution has allowed the delivery of solid results, in line with the guidance we provided to the market. "*

***Peter Estermann, Chief Executive Officer of GPA***



| (R\$ million) <sup>(1)</sup>                                            | 3Q18         | 3Q17         | Δ              | 3Q18         | 3Q17         | Δ              | 3Q18         | 3Q17         | Δ              | 3Q18         |
|-------------------------------------------------------------------------|--------------|--------------|----------------|--------------|--------------|----------------|--------------|--------------|----------------|--------------|
| Gross Revenue                                                           | 13,307       | 11,791       | 12.8%          | 13,307       | 11,791       | 12.8%          | 6,925        | 6,705        | 3.3%           | 6,300        |
| Net Revenue                                                             | 12,258       | 10,909       | 12.4%          | 12,258       | 10,909       | 12.4%          | 6,393        | 6,225        | 2.7%           | 5,800        |
| Gross Profit                                                            | 2,714        | 2,441        | 11.2%          | 2,714        | 2,441        | 11.2%          | 1,783        | 1,736        | 2.7%           | 900          |
| <b>Gross Margin</b>                                                     | <b>22.1%</b> | <b>22.4%</b> | <b>-30 bps</b> | <b>22.1%</b> | <b>22.4%</b> | <b>-30 bps</b> | <b>27.9%</b> | <b>27.9%</b> | <b>0 bps</b>   | <b>15.9%</b> |
| Selling, General and Adm. Expenses                                      | (2,048)      | (1,904)      | 7.5%           | (2,048)      | (1,904)      | 7.5%           | (1,451)      | (1,422)      | 2.0%           | (590)        |
| <b>% of Net Revenue</b>                                                 | <b>16.7%</b> | <b>17.5%</b> | <b>-80 bps</b> | <b>16.7%</b> | <b>17.5%</b> | <b>-80 bps</b> | <b>22.7%</b> | <b>22.8%</b> | <b>-10 bps</b> | <b>10.2%</b> |
| EBITDA <sup>(2)</sup>                                                   | 611          | 409          | 49.4%          | 638          | 440          | 45.1%          | 295          | 216          | 36.8%          | 300          |
| <b>EBITDA Margin</b>                                                    | <b>5.0%</b>  | <b>3.7%</b>  | <b>130 bps</b> | <b>5.2%</b>  | <b>4.0%</b>  | <b>120 bps</b> | <b>4.6%</b>  | <b>3.5%</b>  | <b>110 bps</b> | <b>5.8%</b>  |
| Adjusted EBITDA <sup>(2)(3)</sup>                                       | 670          | 539          | 24.3%          | 697          | 570          | 22.3%          | 362          | 345          | 4.8%           | 300          |
| <b>Adjusted EBITDA Margin</b>                                           | <b>5.5%</b>  | <b>4.9%</b>  | <b>60 bps</b>  | <b>5.7%</b>  | <b>5.2%</b>  | <b>50 bps</b>  | <b>5.7%</b>  | <b>5.5%</b>  | <b>20 bps</b>  | <b>5.7%</b>  |
| Net Financial Revenue (Expenses)                                        | (135)        | (154)        | -12.3%         | (135)        | (154)        | -12.3%         | (121)        | (149)        | -18.9%         | (100)        |
| <b>% of Net Revenue</b>                                                 | <b>1.1%</b>  | <b>1.4%</b>  | <b>-30 bps</b> | <b>1.1%</b>  | <b>1.4%</b>  | <b>-30 bps</b> | <b>1.9%</b>  | <b>2.4%</b>  | <b>-50 bps</b> | <b>0.2%</b>  |
| Net Income - Controlling Shareholders - continuing operations           | 188          | 10           | n.a.           | 215          | 41           | 422.6%         | 39           | (72)         | n.a.           | 100          |
| <b>Net Margin-continuing operations</b>                                 | <b>1.5%</b>  | <b>0.1%</b>  | <b>140 bps</b> | <b>1.8%</b>  | <b>0.4%</b>  | <b>140 bps</b> | <b>0.6%</b>  | <b>-1.2%</b> | <b>180 bps</b> | <b>3.0%</b>  |
| Net Income (Loss) - Controlling Shareholders - discontinuing operations | (37)         | 34           | n.a.           | (22)         | (13)         | 71.1%          | (22)         | (13)         | 71.1%          | 0            |
| <b>Net Margin</b>                                                       | <b>-0.3%</b> | <b>0.3%</b>  | <b>-60 bps</b> | <b>-0.2%</b> | <b>-0.1%</b> | <b>-10 bps</b> | <b>-0.3%</b> | <b>-0.2%</b> | <b>-10 bps</b> | <b>0.0%</b>  |
| Net Income (Loss) -continuing and discontinued                          | 150          | 44           | 243.0%         | 193          | 28           | 583.2%         | 17           | (85)         | n.a.           | 100          |

operations

|                                                                                              |             |              |                |             |              |                |             |              |                |             |
|----------------------------------------------------------------------------------------------|-------------|--------------|----------------|-------------|--------------|----------------|-------------|--------------|----------------|-------------|
| <b>Net margin-continuing and discontinued operations</b>                                     | <b>1.2%</b> | <b>0.4%</b>  | <b>80 bps</b>  | <b>1.6%</b> | <b>0.3%</b>  | <b>130 bps</b> | <b>0.3%</b> | <b>-1.4%</b> | <b>170 bps</b> | <b>3.0%</b> |
| Adjusted Net Income (Loss) - Controlling Shareholders - continuing operations <sup>(4)</sup> | 153         | (177)        | -186.6%        | 185         | (141)        | -231.1%        | 68          |              | 87             | 69.7%       |
| <b>Adjusted Net Margin</b>                                                                   | <b>1.3%</b> | <b>-1.6%</b> | <b>290 bps</b> | <b>1.5%</b> | <b>-1.3%</b> | <b>280 bps</b> | <b>1.1%</b> | <b>0.1%</b>  | <b>100 bps</b> | <b>2.0%</b> |
| Net Income (Loss) - Controlling Shareholders - continuing operations ex. tax credits(*)      | 188         | 10           | n.a.           | 215         | 41           | n.a.           | 39          | (72)         | n.a.           | 1           |
| <b>Net Margin - continuing operations ex. tax credits (*)</b>                                | <b>1.5%</b> | <b>0.1%</b>  | <b>140 bps</b> | <b>1.8%</b> | <b>0.4%</b>  | <b>140 bps</b> | <b>0.6%</b> | <b>-1.2%</b> | <b>180 bps</b> | <b>3.0%</b> |

| <b>(R\$ million)<sup>(1)</sup></b>                         | 9M18         | 9M17         | Δ              | 9M18         | 9M17         | Δ              | 9M18         | 9M17         | Δ              | 9M18         | 9M17         |
|------------------------------------------------------------|--------------|--------------|----------------|--------------|--------------|----------------|--------------|--------------|----------------|--------------|--------------|
| Gross Revenue                                              | 38,379       | 34,844       | 10.1%          | 38,379       | 34,844       | 10.1%          | 20,756       | 20,680       | 0.4%           | 17,623       | 14,111       |
| Net Revenue Ex. tax credits(*)                             | 35,332       | 32,125       | 10.0%          | 35,332       | 32,125       | 10.0%          | 19,131       | 19,129       | 0.0%           | 16,201       | 12,900       |
| Gross Profit Ex. tax credits(*)                            | 7,945        | 7,349        | 8.1%           | 7,945        | 7,349        | 8.1%           | 5,370        | 5,382        | -0.2%          | 2,575        | 1,900        |
| <b>Gross Margin Ex. tax credits(*)</b>                     | <b>22.5%</b> | <b>22.9%</b> | <b>-40 bps</b> | <b>22.5%</b> | <b>22.9%</b> | <b>-40 bps</b> | <b>28.1%</b> | <b>28.1%</b> | <b>0 bps</b>   | <b>15.9%</b> | <b>15.1%</b> |
| <b>Selling, General and Adm. Expenses % of Net Revenue</b> | <b>17.2%</b> | <b>18.1%</b> | <b>-90 bps</b> | <b>17.2%</b> | <b>18.1%</b> | <b>-90 bps</b> | <b>22.9%</b> | <b>23.4%</b> | <b>-50 bps</b> | <b>10.4%</b> | <b>10.3%</b> |
| EBITDA <sup>(2)</sup>                                      | 2,085        | 1,564        | 33.4%          | 2,189        | 1,657        | 32.1%          | 925          | 1,054        | -12.3%         | 1,264        | 600          |
| <b>EBITDA Margin</b>                                       | <b>5.9%</b>  | <b>4.9%</b>  | <b>100 bps</b> | <b>6.2%</b>  | <b>5.2%</b>  | <b>100 bps</b> | <b>4.8%</b>  | <b>5.5%</b>  | <b>-70 bps</b> | <b>7.8%</b>  | <b>4.6%</b>  |
| Adjusted EBITDA Ex.                                        | 1,864        | 1,521        | 22.6%          | 1,967        | 1,614        | 21.9%          | 1,067        | 988          | 7.9%           | 901          | 600          |

tax  
credits<sup>(2)(3)(\*)</sup>

**Adjusted  
EBITDA**

**Margin Ex.  
tax  
credits<sup>(\*)</sup>**

Net Financial  
Revenue  
(Expenses)

**% of Net  
Revenue**

Net Income -  
Controlling  
Shareholders  
- continuing  
operations

**Net Margin-  
continuing  
operations**

Net Income  
(Loss) -  
Controlling  
Shareholders  
- continuing  
operations

ex. tax  
credits<sup>(\*)</sup>

**Net Margin  
- continuing  
operations  
ex. tax  
credits<sup>(\*)</sup>**

|             |             |                |             |             |                |             |              |                |             |             |
|-------------|-------------|----------------|-------------|-------------|----------------|-------------|--------------|----------------|-------------|-------------|
| <b>5.3%</b> | <b>4.7%</b> | <b>60 bps</b>  | <b>5.6%</b> | <b>5.0%</b> | <b>60 bps</b>  | <b>5.6%</b> | <b>5.2%</b>  | <b>40 bps</b>  | <b>5.6%</b> | <b>4.8%</b> |
| (414)       | (524)       | -21.0%         | (414)       | (524)       | -21.0%         | (385)       | (483)        | -20.4%         | (29)        | (4)         |
| <b>1.2%</b> | <b>1.6%</b> | <b>-40 bps</b> | <b>1.2%</b> | <b>1.6%</b> | <b>-40 bps</b> | <b>2.0%</b> | <b>2.5%</b>  | <b>-50 bps</b> | <b>0.2%</b> | <b>0.3%</b> |
| 726         | 247         | 194.3%         | 830         | 340         | 143.9%         | 126         | 54           | 131.3%         | 704         | 2           |
| <b>2.1%</b> | <b>0.8%</b> | <b>130 bps</b> | <b>2.3%</b> | <b>1.1%</b> | <b>120 bps</b> | <b>0.7%</b> | <b>0.3%</b>  | <b>40 bps</b>  | <b>4.3%</b> | <b>2.2%</b> |
| 449         | (90)        | n.a.           | 552         | 4           | n.a.           | 92          | (282)        | n.a.           | 460         | 2           |
| <b>1.3%</b> | <b>0.1%</b> | <b>120 bps</b> | <b>1.6%</b> | <b>0.4%</b> | <b>120 bps</b> | <b>0.5%</b> | <b>-1.5%</b> | <b>200 bps</b> | <b>2.8%</b> | <b>2.2%</b> |

(1) Sums and percentages may present discrepancies due to rounding. All margins were calculated as a percentage of net sales. (2) Earnings before interest, tax, depreciation and amortization. (3) EBITDA adjusted by Other Operating Income and Expenses.

(\*) Excludes nonrecurring tax credits related to 2Q18, with R\$45 million at Multivarejo referring to the sale to third parties of a portion of the tax credits related to the exclusion of ICMS from the calculation base of PIS/COFINS and R\$369 million at Assaí referring to the reversal of the provision related to ICMS ST credits for periods prior to the Supreme Court decision, recognized in cost of goods sold. In relation to 2Q17, R\$447 million was excluded at Multivarejo referring to nonrecurring tax credits in connection with the ICMS ST reimbursement, recognized in cost of goods sold.

## OPERATING PERFORMANCE BY BUSINESS

### Multivarejo

**Gross sales came to R\$6.9 billion**, with **same-store sales ex calendar growth of 6.1%**, confirming the recovery since the start of the year. All banners continued to capture market share gains, with the highlight the Extra Hiper and Proximity banners.

**Gross profit** was R\$1,783 million, with gross margin of **27.9%**, stable in relation to 3Q17, reflecting the adequate level of price competitiveness at each banner. The commercial initiatives have had positive effects on the improvement in sales volume, average ticket and market share.

**Selling, general and administrative expenses** were R\$1,451 million, increasing only 2.0%, which is significantly lower than the IPCA inflation measured in the last 12 months of 4.5%. **SG&A expenses as a ratio of net sales decreased 10 bps** compared to 3Q17, to 22.7%. This dilution of expenses reflects the stronger sales and continued cost discipline, with the highlight the productivity gains at stores.

**Adjusted EBITDA came to R\$362 million**, increasing 4.8%, outpacing the revenue growth. **Adjusted EBITDA margin expanded 20 bps in relation to 3Q17, to 5.7%**, surpassing the guidance given for the year and reflecting the consistent results over the past three quarters.

**Net income was R\$39 million**, with net margin of 0.6%, reversing the loss reported in 3Q17.

### Assaí

Assaí gross sales advanced 25.5% to R\$6.4 billion, maintaining another quarter of strong growth. Same-store sales growth ex calendar and excluding conversions accelerated to 7.4%, driven by the banner's anniversary, which supported growth in sales volume and customer traffic. The period once again was marked by an important market share gain.

**Gross profit came to R\$930 million**, with gross margin of **15.9%**. The continued expansion in gross margin compared to last year reflects the following factors:

- o The successful expansion of the past two years: 19 organic stores with accelerated maturation, reflecting a well-defined business model and market demand;

- o The positive effect from the conversion of Extra Hiper stores, with good attractiveness and adherence to the needs the banner's target public.

**Selling, general and administrative expenses** registered dilution of 10 bps compared to 3Q17, corresponding to 10.2% of net sales. The result reflects the maturation of stores, despite the growing number of openings and the stores under construction in the period.

**Adjusted EBITDA** came to R\$335 million, for robust growth of 49.4%, with adjusted EBITDA margin expanding **90 bps** to 5.7%.

**Net income reached R\$176 million**, a strong growth of 55.6%, with a net margin of 3.0%.

## **FINANCIAL PERFORMANCE**

### **Other Income and Expenses**

Other Operating Income and Expenses were an expense of R\$59 million in the quarter. In the last 9 months, this expense was R\$193 million, down 52.3% from the prior-year period.

The main elements in the quarter are related to:

Tax contingencies related to litigations from prior periods, corresponding to approximately R\$19 million.

Integration and restructuring expenses, including personnel and other costs related to the closures and conversions of stores / DCs, in the amount of R\$38 million.

Result from property and equipment of R\$3 million.

### **Financial Result**

The financial result was R\$135 million, or 1.1% of net sales, improving 30 bps from 3Q17. Main variations:

Financial income increased nearly 30%, reflecting the higher cash balance average in the period.

The lower debt cost and improvement in the cost of selling receivables are mainly due to the lower interest rate in the period.

Contingencies adjustment and other expenses remained stable at 0.5% of net sales.

## Net Income

In the **Food segment, net income attributable to the controlling shareholders from continuing operations** was R\$215 million, 5.2 times higher than in 3Q17. At Multivarejo, net income was R\$39 million, with net margin of 0.6%, reversing the loss reported in 3Q17. At Assaí, net income grew 55.6% to R\$176 million, with net margin of 3.0%.

**Consolidated net income attributable to the controlling shareholders from continuing operations** was R\$188 million, 18.8 times higher than in 3Q17.

## Earnings per Share

Earnings per share in the quarter stood at R\$0.52246 for the common shares and at R\$0.58510 for the preferred shares.

## Net Debt

Net debt adjusted for the balance of not discounted receivables stood at R\$3,260 million. The Company maintained its low financial leverage, with the net debt/EBITDA ratio falling to -1.15x, compared to -1.30x a year ago.

The Company ended the quarter with a cash position of R\$2,625 million and R\$711 million of not discounted receivables, totaling R\$3,336 million in cash and equivalents. Also, it has approximately R\$1.8 billion in pre-approved/confirmed credit facilities.

## Investments

Investments in the Food segment amounted to R\$488 million, up 9.3% from 3Q17, mainly due to the following:

- **Expansion of Assaí:** 4 stores were opened, one of which was converted from an Extra Hiper. Around 20 stores are slated to open this year, including new stores and conversions;
- **Renovations of Pão de Açúcar stores:** 15 stores renovated in the 7 Generation concept, of which 6 were finished in September and another 3 stores are undergoing renovation, which will be delivered in 4Q18.
- **Projects at the Extra Super banner:** 6 Extra Super stores were revitalized, which were converted to Mercado Extra, bringing to 10 the number of pilot stores to date.

In addition, progress was made on the conversion of 13 Extra Super stores to **Compre Bem**. The stores will be opened in fourth quarter. For more information on the Compre Bem and Mercado Extra Projects, see page 17.



**CONSOLIDATED FINANCIAL STATEMENTS****1. Balance Sheet**

| <b>(R\$ million)</b>                            | <b>09.30.2018</b> | <b>06.30.2018</b> | <b>09.30.2017</b> | <b>09.30.2018</b> | <b>06.30.2018</b> | <b>09.30.2017</b> |
|-------------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Current Assets</b>                           | <b>31,876</b>     | <b>31,240</b>     | <b>27,105</b>     | <b>10,149</b>     | <b>9,800</b>      | <b>7,673</b>      |
| Cash and Marketable Securities                  | 2,625             | 3,054             | 1,266             | 2,625             | 3,054             | 1,266             |
| Accounts Receivable                             | 953               | 296               | 1,006             | 957               | 300               | 1,011             |
| Credit Cards Sales                              | 659               | 86                | 806               | 659               | 90                | 806               |
| Vouchers and Trade Account Receivable           | 234               | 160               | 165               | 238               | 160               | 171               |
| Allowance for Doubtful Accounts                 | (4)               | (4)               | (5)               | (4)               | (4)               | (5)               |
| Resulting from Commercial Agreements            | 64                | 54                | 40                | 64                | 54                | 40                |
| Inventories                                     | 5,540             | 5,136             | 4,634             | 5,540             | 5,136             | 4,634             |
| Recoverable Taxes                               | 363               | 532               | 395               | 363               | 532               | 395               |
| Noncurrent Assets for Sale                      | 21,866            | 21,698            | 19,438            | 136               | 254               | -                 |
| Prepaid Expenses and Other Accounts Receivables | 529               | 523               | 366               | 529               | 523               | 366               |
| <b>Noncurrent Assets</b>                        | <b>16,000</b>     | <b>15,255</b>     | <b>14,412</b>     | <b>16,044</b>     | <b>15,295</b>     | <b>14,443</b>     |
| Long-Term Assets                                | 4,591             | 4,143             | 3,036             | 4,630             | 4,178             | 3,062             |

|                                                     |               |               |               |               |               |               |
|-----------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Accounts Receivables                                | 53            | 3             | -             | 53            | 3             | -             |
| Credit Cards                                        | 53            | 3             | -             | 53            | 3             | -             |
| Recoverable Taxes                                   | 2,662         | 2,335         | 1,350         | 2,662         | 2,335         | 1,350         |
| Deferred Income Tax and Social Contribution Amounts | 207           | 174           | 172           | 207           | 174           | 170           |
| Receivable from Related Parties                     | 33            | 31            | 22            | 72            | 66            | 50            |
| Judicial Deposits                                   | 799           | 784           | 789           | 799           | 784           | 789           |
| Prepaid Expenses and Others                         | 838           | 817           | 702           | 838           | 817           | 702           |
| Investments                                         | 228           | 209           | 283           | 228           | 209           | 282           |
| Property and Equipment                              | 9,244         | 8,976         | 9,186         | 9,244         | 8,976         | 9,186         |
| Intangible Assets                                   | 1,937         | 1,927         | 1,908         | 1,942         | 1,932         | 1,913         |
| <b>TOTAL ASSETS</b>                                 | <b>47,876</b> | <b>46,494</b> | <b>41,517</b> | <b>26,193</b> | <b>25,095</b> | <b>22,116</b> |

**09.30.2018 06.30.2018 09.30.2017 09.30.2018 06.30.2018 09.30.2017**

|                                        |               |               |               |               |              |              |
|----------------------------------------|---------------|---------------|---------------|---------------|--------------|--------------|
| <b>Current Liabilities</b>             | <b>26,607</b> | <b>26,016</b> | <b>23,054</b> | <b>10,246</b> | <b>9,953</b> | <b>8,616</b> |
| Suppliers                              | 6,439         | 6,370         | 5,495         | 6,444         | 6,375        | 5,496        |
| Loans and Financing                    | 1,348         | 1,321         | 901           | 1,348         | 1,321        | 901          |
| Debentures                             | 507           | 500           | 517           | 507           | 500          | 517          |
| Payroll and Related Charges            | 696           | 615           | 647           | 696           | 615          | 647          |
| Taxes and Social Contribution Payable  | 285           | 264           | 211           | 285           | 264          | 211          |
| Dividends Proposed                     | 98            | 0             | (0)           | 98            | 0            | (0)          |
| Financing for Purchase of Fixed Assets | 50            | 39            | 33            | 50            | 39           | 33           |
| Rents                                  | 66            | 67            | 89            | 66            | 67           | 89           |
|                                        | 160           | 145           | 167           | 374           | 338          | 364          |

|                                                             |               |               |               |               |               |               |
|-------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Debt with<br>Related Parties                                |               |               |               |               |               |               |
| Advertisement                                               | 35            | 43            | 26            | 35            | 43            | 26            |
| Provision for<br>Restructuring                              | 9             | 13            | 3             | 9             | 13            | 3             |
| Advanced<br>Revenue                                         | 76            | 151           | 56            | 76            | 151           | 56            |
| Non-current<br>Assets Held for<br>Sale                      | 16,586        | 16,269        | 14,642        | -             | -             | -             |
| Others                                                      | 252           | 221           | 267           | 257           | 228           | 272           |
| <b>Long-Term<br/>Liabilities</b>                            | <b>7,507</b>  | <b>6,738</b>  | <b>5,635</b>  | <b>7,507</b>  | <b>6,738</b>  | <b>5,635</b>  |
| Loans and<br>Financing                                      | 841           | 834           | 808           | 841           | 834           | 808           |
| Debentures                                                  | 4,089         | 3,338         | 2,532         | 4,089         | 3,338         | 2,532         |
| Deferred<br>Income Tax and<br>Social<br>Contribution<br>Tax | 537           | 548           | 364           | 537           | 548           | 364           |
| Installments                                                | 495           | 517           | 681           | 495           | 517           | 681           |
| Provision for<br>Contingencies                              | 1,166         | 1,127         | 1,038         | 1,166         | 1,127         | 1,038         |
| Advanced<br>Revenue                                         | 12            | 15            | 16            | 12            | 15            | 16            |
| Provision for<br>loss on<br>investment in<br>Associates     | 342           | 304           | 143           | 342           | 304           | 143           |
| Others                                                      | 25            | 56            | 51            | 25            | 56            | 51            |
| <b>Shareholders'<br/>Equity</b>                             | <b>13,762</b> | <b>13,740</b> | <b>12,828</b> | <b>8,441</b>  | <b>8,403</b>  | <b>7,865</b>  |
| Capital                                                     | 6,824         | 6,823         | 6,818         | 5,416         | 5,407         | 5,487         |
| Capital<br>Reserves                                         | 406           | 400           | 355           | 406           | 400           | 355           |
| Profit Reserves                                             | 3,634         | 3,599         | 2,926         | 2,702         | 2,667         | 2,044         |
| Other<br>Comprehensive<br>Results                           | (83)          | (71)          | (45)          | (83)          | (71)          | (21)          |
| Minority<br>Interest                                        | 2,982         | 2,989         | 2,775         | -             | -             | 0             |
| <b>TOTAL<br/>LIABILITIES</b>                                | <b>47,876</b> | <b>46,494</b> | <b>41,517</b> | <b>26,193</b> | <b>25,095</b> | <b>22,116</b> |

## 2.1 Income Statement – 3Q18

| R\$ - Million                                    | 3Q18           | 3Q17           | Δ             | 3Q18           | 3Q17           | Δ             | 3Q18           | 3Q17           | Δ             | 3Q18           |
|--------------------------------------------------|----------------|----------------|---------------|----------------|----------------|---------------|----------------|----------------|---------------|----------------|
| <b>Gross Revenue</b>                             | <b>13,307</b>  | <b>11,791</b>  | <b>12.8%</b>  | <b>13,307</b>  | <b>11,791</b>  | <b>12.8%</b>  | <b>6,925</b>   | <b>6,705</b>   | <b>3.3%</b>   | <b>6,380</b>   |
| <b>Net Revenue</b>                               | <b>12,258</b>  | <b>10,909</b>  | <b>12.4%</b>  | <b>12,258</b>  | <b>10,909</b>  | <b>12.4%</b>  | <b>6,393</b>   | <b>6,225</b>   | <b>2.7%</b>   | <b>5,840</b>   |
| <b>Cost of Goods Sold</b>                        | <b>(9,533)</b> | <b>(8,455)</b> | <b>12.8%</b>  | <b>(9,533)</b> | <b>(8,455)</b> | <b>12.8%</b>  | <b>(4,601)</b> | <b>(4,477)</b> | <b>2.8%</b>   | <b>(4,933)</b> |
| Depreciation (Logistic)                          | (12)           | (14)           | -11.6%        | (12)           | (14)           | -11.6%        | (9)            | (12)           | -22.6%        | (6)            |
| <b>Gross Profit</b>                              | <b>2,714</b>   | <b>2,441</b>   | <b>11.2%</b>  | <b>2,714</b>   | <b>2,441</b>   | <b>11.2%</b>  | <b>1,783</b>   | <b>1,736</b>   | <b>2.7%</b>   | <b>947</b>     |
| Selling Expenses                                 | (1,798)        | (1,657)        | 8.5%          | (1,798)        | (1,657)        | 8.5%          | (1,270)        | (1,232)        | 3.0%          | (52)           |
| General and Administrative Expenses              | (250)          | (247)          | 1.4%          | (250)          | (247)          | 1.4%          | (181)          | (190)          | -4.6%         | (7)            |
| <b>Selling, General and Adm. Expenses</b>        | <b>(2,048)</b> | <b>(1,904)</b> | <b>7.5%</b>   | <b>(2,048)</b> | <b>(1,904)</b> | <b>7.5%</b>   | <b>(1,451)</b> | <b>(1,422)</b> | <b>2.0%</b>   | <b>(59)</b>    |
| Equity Income <sup>(2)</sup>                     | (8)            | (12)           | -33.3%        | 20             | 19             | 1.2%          | 20             | 19             | 1.2%          |                |
| Other Operating Revenue                          | (59)           | (130)          | -54.5%        | (59)           | (130)          | -54.5%        | (67)           | (130)          | -48.5%        |                |
| (Expenses)                                       |                |                |               |                |                |               |                |                |               |                |
| Depreciation and Amortization                    | (206)          | (194)          | 6.1%          | (206)          | (194)          | 6.1%          | (147)          | (150)          | -1.6%         | (5)            |
| <b>Earnings before interest and Taxes - EBIT</b> | <b>392</b>     | <b>201</b>     | <b>95.5%</b>  | <b>420</b>     | <b>232</b>     | <b>81.1%</b>  | <b>138</b>     | <b>54</b>      | <b>157.2%</b> | <b>212</b>     |
| Financial Revenue                                | 48             | 37             | 29.9%         | 48             | 37             | 29.9%         | 38             | 27             | 39.9%         |                |
| Financial Expenses                               | (183)          | (191)          | -4.2%         | (183)          | (191)          | -4.2%         | (158)          | (176)          | -9.9%         | (2)            |
| <b>Net Financial Result</b>                      | <b>(135)</b>   | <b>(154)</b>   | <b>-12.3%</b> | <b>(135)</b>   | <b>(154)</b>   | <b>-12.3%</b> | <b>(121)</b>   | <b>(149)</b>   | <b>-18.9%</b> | <b>(1)</b>     |
| <b>Income (Loss) Before Income Tax</b>           | <b>258</b>     | <b>47</b>      | <b>447.3%</b> | <b>285</b>     | <b>78</b>      | <b>264.8%</b> | <b>18</b>      | <b>(95)</b>    | <b>n.a.</b>   | <b>212</b>     |
| Income Tax                                       | (70)           | (37)           | 89.7%         | (70)           | (37)           | 89.7%         | 21             | 23             | -7.6%         | (9)            |
| <b>Net Income (Loss) Company - continuing</b>    | <b>188</b>     | <b>10</b>      | <b>n.a.</b>   | <b>215</b>     | <b>41</b>      | <b>421.9%</b> | <b>39</b>      | <b>(72)</b>    | <b>n.a.</b>   | <b>112</b>     |

|                                                                                                                                |             |            |               |            |            |               |            |             |              |          |
|--------------------------------------------------------------------------------------------------------------------------------|-------------|------------|---------------|------------|------------|---------------|------------|-------------|--------------|----------|
| operations                                                                                                                     |             |            |               |            |            |               |            |             |              |          |
| Net Result from discontinued operations                                                                                        | (50)        | 90         | n.a.          | (22)       | (12)       | 85.1%         | (22)       | (12)        | 85.1%        |          |
| <b>Net Income (Loss) - Consolidated Company</b>                                                                                | <b>138</b>  | <b>100</b> | <b>37.0%</b>  | <b>193</b> | <b>29</b>  | <b>559.3%</b> | <b>17</b>  | <b>(84)</b> | <b>n.a.</b>  | <b>1</b> |
| Net Income (Loss) - Controlling Shareholders - continuing operations <sup>(3)</sup>                                            | 188         | 10         | n.a.          | 215        | 41         | 422.6%        | 39         | (72)        | n.a.         | 1        |
| Net Income (Loss) - Controlling Shareholders - discontinued operations <sup>(3)</sup>                                          | (37)        | 34         | n.a.          | (22)       | (13)       | 71.1%         | (22)       | (13)        | 71.1%        |          |
| <b>Net Income (Loss) - Consolidated Controlling Shareholders<sup>(3)</sup></b>                                                 | <b>150</b>  | <b>44</b>  | <b>243.0%</b> | <b>193</b> | <b>28</b>  | <b>583.2%</b> | <b>17</b>  | <b>(85)</b> | <b>n.a.</b>  | <b>1</b> |
| Minority Interest - Non-controlling - continuing operations                                                                    | -           | -          | n.a.          | -          | -          | n.a.          | -          | -           | n.a.         |          |
| Minority Interest - Non-controlling - discontinued operations                                                                  | (13)        | 57         | n.a.          | -          | 1          | n.a.          | -          | 1           | n.a.         |          |
| <b>Minority Interest - Non-controlling - Consolidated Earnings before Interest, Taxes, Depreciation, Amortization - EBITDA</b> | <b>(13)</b> | <b>57</b>  | <b>n.a.</b>   | <b>-</b>   | <b>1</b>   | <b>n.a.</b>   | <b>-</b>   | <b>1</b>    | <b>n.a.</b>  |          |
| <b>Adjusted EBITDA <sup>(4)</sup></b>                                                                                          | <b>611</b>  | <b>409</b> | <b>49.4%</b>  | <b>638</b> | <b>440</b> | <b>45.1%</b>  | <b>295</b> | <b>216</b>  | <b>36.8%</b> | <b>3</b> |
| <b>Adjusted EBITDA <sup>(4)</sup> - Ex. tax credits<sup>(*)</sup></b>                                                          | <b>670</b>  | <b>539</b> | <b>24.3%</b>  | <b>697</b> | <b>570</b> | <b>22.3%</b>  | <b>362</b> | <b>345</b>  | <b>4.8%</b>  | <b>3</b> |

**% of Net Revenue**

|                                                                                     | <b>3Q18</b>  | <b>3Q17</b>  | <b>3Q18</b>  | <b>3Q17</b>  | <b>3Q18</b>  | <b>3Q17</b>  | <b>3Q18</b>  |
|-------------------------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Gross Profit</b>                                                                 | <b>22.1%</b> | <b>22.4%</b> | <b>22.1%</b> | <b>22.4%</b> | <b>27.9%</b> | <b>27.9%</b> | <b>15.9%</b> |
| Selling Expenses                                                                    | 14.7%        | 15.2%        | 14.7%        | 15.2%        | 19.9%        | 19.8%        | 9.0%         |
| General and Administrative Expenses                                                 | 2.0%         | 2.3%         | 2.0%         | 2.3%         | 2.8%         | 3.0%         | 1.2%         |
| <b>Selling, General and Adm. Expenses</b>                                           | <b>16.7%</b> | <b>17.5%</b> | <b>16.7%</b> | <b>17.5%</b> | <b>22.7%</b> | <b>22.8%</b> | <b>10.2%</b> |
| Equity Income <sup>(2)</sup>                                                        | -0.1%        | -0.1%        | 0.2%         | 0.2%         | 0.3%         | 0.3%         | 0.0%         |
| Other Operating Revenue (Expenses)                                                  | 0.5%         | 1.2%         | 0.5%         | 1.2%         | 1.0%         | 2.1%         | -0.1%        |
| Depreciation and Amortization                                                       | 1.7%         | 1.8%         | 1.7%         | 1.8%         | 2.3%         | 2.4%         | 1.0%         |
| <b>EBIT</b>                                                                         | <b>3.2%</b>  | <b>1.8%</b>  | <b>3.4%</b>  | <b>2.1%</b>  | <b>2.2%</b>  | <b>0.9%</b>  | <b>4.8%</b>  |
| <b>Net Financial Revenue (Expenses)</b>                                             | <b>1.1%</b>  | <b>1.4%</b>  | <b>1.1%</b>  | <b>1.4%</b>  | <b>1.9%</b>  | <b>2.4%</b>  | <b>0.2%</b>  |
| <b>Income Before Income Tax</b>                                                     | <b>2.1%</b>  | <b>0.4%</b>  | <b>2.3%</b>  | <b>0.7%</b>  | <b>0.3%</b>  | <b>-1.5%</b> | <b>4.6%</b>  |
| Income Tax                                                                          | -0.6%        | -0.3%        | -0.6%        | -0.3%        | 0.3%         | 0.4%         | -1.6%        |
| Net Income (Loss)                                                                   |              |              |              |              |              |              |              |
| Company - continuing operations                                                     | <b>1.5%</b>  | <b>0.1%</b>  | <b>1.8%</b>  | <b>0.4%</b>  | <b>0.6%</b>  | <b>-1.2%</b> | <b>3.0%</b>  |
| <b>Net Income (Loss) - Consolidated Company</b>                                     | <b>1.1%</b>  | <b>0.9%</b>  | <b>1.6%</b>  | <b>0.3%</b>  | <b>0.3%</b>  | <b>-1.4%</b> | <b>3.0%</b>  |
| Net Income (Loss) - Controlling Shareholders - continuing operations <sup>(3)</sup> |              |              |              |              |              |              |              |
|                                                                                     | 1.5%         | 0.1%         | 1.8%         | 0.4%         | 0.6%         | -1.2%        | 3.0%         |
| <b>Net Income (Loss) - Consolidated Controlling Shareholders<sup>(3)</sup></b>      | <b>1.2%</b>  | <b>0.4%</b>  | <b>1.6%</b>  | <b>0.3%</b>  | <b>0.3%</b>  | <b>-1.4%</b> | <b>3.0%</b>  |
| Minority Interest - Non-controlling - continuing operations                         | 0.0%         | 0.0%         | 0.0%         | 0.0%         | 0.0%         | 0.0%         | 0.0%         |
|                                                                                     | -0.1%        | 0.5%         | 0.0%         | 0.0%         | 0.0%         | 0.0%         | 0.0%         |

**Minority  
Interest -  
Non-controlling  
- Consolidated**

|                                           |             |             |             |             |             |             |             |
|-------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>EBITDA</b>                             | <b>5.0%</b> | <b>3.7%</b> | <b>5.2%</b> | <b>4.0%</b> | <b>4.6%</b> | <b>3.5%</b> | <b>5.8%</b> |
| <b>Adjusted<br/>EBITDA <sup>(4)</sup></b> | <b>5.5%</b> | <b>4.9%</b> | <b>5.7%</b> | <b>5.2%</b> | <b>5.7%</b> | <b>5.5%</b> | <b>5.7%</b> |

*(1) Multivarejo includes the results of Malls and Corporate. (2) Equity income from Cdiscount is included in the Consolidated results and not in the Retail and Cash-and-Carry segments. (3) Net income after non-controlling interest. (4) EBITDA adjusted by the line "Other Operating Income and Expenses"*

## 2.2 Income Statement – 9M18

| R\$ - Million                                    | 9M18            | 9M17            | Δ             | 9M18            | 9M17            | Δ             | 9M18            | 9M17            | Δ             |
|--------------------------------------------------|-----------------|-----------------|---------------|-----------------|-----------------|---------------|-----------------|-----------------|---------------|
| <b>Gross Revenue</b>                             | <b>38,379</b>   | <b>34,844</b>   | <b>10.1%</b>  | <b>38,379</b>   | <b>34,844</b>   | <b>10.1%</b>  | <b>20,756</b>   | <b>20,680</b>   | <b>0.4%</b>   |
| <b>Net Revenue</b>                               | <b>35,377</b>   | <b>32,125</b>   | <b>10.1%</b>  | <b>35,377</b>   | <b>32,125</b>   | <b>10.1%</b>  | <b>19,176</b>   | <b>19,129</b>   | <b>0.2%</b>   |
| <b>Cost of Goods Sold</b>                        | <b>(26,981)</b> | <b>(24,289)</b> | <b>11.1%</b>  | <b>(26,981)</b> | <b>(24,289)</b> | <b>11.1%</b>  | <b>(13,732)</b> | <b>(13,264)</b> | <b>3.5%</b>   |
| Depreciation (Logistic)                          | (37)            | (40)            | -7.2%         | (37)            | (40)            | -7.2%         | (30)            | (35)            | -16.2%        |
| <b>Gross Profit</b>                              | <b>8,359</b>    | <b>7,796</b>    | <b>7.2%</b>   | <b>8,359</b>    | <b>7,796</b>    | <b>7.2%</b>   | <b>5,415</b>    | <b>5,829</b>    | <b>-7.1%</b>  |
| Selling Expenses                                 | (5,324)         | (5,080)         | 4.8%          | (5,324)         | (5,080)         | 4.8%          | (3,843)         | (3,895)         | -1.3%         |
| General and Administrative Expenses              | (742)           | (736)           | 0.8%          | (742)           | (736)           | 0.8%          | (541)           | (576)           | -6.1%         |
| <b>Selling, General and Adm. Expenses</b>        | <b>(6,066)</b>  | <b>(5,816)</b>  | <b>4.3%</b>   | <b>(6,066)</b>  | <b>(5,816)</b>  | <b>4.3%</b>   | <b>(4,384)</b>  | <b>(4,471)</b>  | <b>-1.9%</b>  |
| Equity Income <sup>(2)</sup>                     | (52)            | (52)            | -0.3%         | 52              | 41              | 24.3%         | 52              | 41              | 24.3%         |
| Other Operating Revenue (Expenses)               | (193)           | (404)           | -52.3%        | (193)           | (404)           | -52.3%        | (187)           | (381)           | -50.9%        |
| Depreciation and Amortization                    | (625)           | (574)           | 8.8%          | (625)           | (574)           | 8.8%          | (455)           | (448)           | 1.5%          |
| <b>Earnings before interest and Taxes - EBIT</b> | <b>1,424</b>    | <b>950</b>      | <b>49.9%</b>  | <b>1,527</b>    | <b>1,043</b>    | <b>46.4%</b>  | <b>440</b>      | <b>571</b>      | <b>-22.9%</b> |
| Financial Revenue                                | 127             | 135             | -6.0%         | 127             | 135             | -6.0%         | 101             | 110             | -8.5%         |
| Financial Expenses                               | (541)           | (659)           | -17.9%        | (541)           | (659)           | -17.9%        | (485)           | (593)           | -18.2%        |
| <b>Net Financial Revenue (Expenses)</b>          | <b>(414)</b>    | <b>(524)</b>    | <b>-21.0%</b> | <b>(414)</b>    | <b>(524)</b>    | <b>-21.0%</b> | <b>(385)</b>    | <b>(483)</b>    | <b>-20.4%</b> |
| <b>Income Before Income Tax</b>                  | <b>1,010</b>    | <b>426</b>      | <b>137.1%</b> | <b>1,113</b>    | <b>519</b>      | <b>114.3%</b> | <b>55</b>       | <b>88</b>       | <b>-37.1%</b> |
| Income Tax                                       | (283)           | (179)           | n.a.          | (283)           | (179)           | n.a.          | 71              | (33)            | n.a.          |
| <b>Net Income (Loss) Company - continuing</b>    | <b>726</b>      | <b>247</b>      | <b>194.2%</b> | <b>830</b>      | <b>340</b>      | <b>143.8%</b> | <b>126</b>      | <b>54</b>       | <b>131.1%</b> |



|                                                                                       |              |              |               |              |              |               |              |              |               |
|---------------------------------------------------------------------------------------|--------------|--------------|---------------|--------------|--------------|---------------|--------------|--------------|---------------|
| operations                                                                            |              |              |               |              |              |               |              |              |               |
| Net Result from discontinued operations                                               | 163          | 178          | -8.6%         | (18)         | (37)         | -49.9%        | (18)         | (37)         | -49.9%        |
| <b>Net Income (Loss) - Consolidated Company</b>                                       | <b>889</b>   | <b>425</b>   | <b>109.2%</b> | <b>811</b>   | <b>304</b>   | <b>167.3%</b> | <b>108</b>   | <b>185</b>   | <b>106.4%</b> |
| Net Income (Loss) - Controlling Shareholders - continuing operations <sup>(3)</sup>   | 726          | 247          | 194.3%        | 830          | 340          | 143.9%        | 126          | 54           | 131.3%        |
| Net Income (Loss) - Controlling Shareholders - discontinued operations <sup>(3)</sup> | 52           | 50           | 2.5%          | (18)         | (37)         | -49.9%        | (18)         | (37)         | -49.9%        |
| <b>Net Income (Loss) - Consolidated Controlling Shareholders<sup>(3)</sup></b>        | <b>778</b>   | <b>297</b>   | <b>161.8%</b> | <b>811</b>   | <b>303</b>   | <b>167.4%</b> | <b>107</b>   | <b>185</b>   | <b>109.4%</b> |
| Minority Interest - Non-controlling - continuing operations                           | -            | -            | n.a.          | -            | -            | n.a.          | -            | -            | n.a.          |
| Minority Interest - Non-controlling - discontinued operations                         | 111          | 128          | -13.6%        | -            | -            | n.a.          | -            | -            | n.a.          |
| <b>Minority Interest - Non-controlling - Consolidated</b>                             | <b>111</b>   | <b>128</b>   | <b>-13.6%</b> | <b>-</b>     | <b>-</b>     | <b>n.a.</b>   | <b>-</b>     | <b>-</b>     | <b>n.a.</b>   |
| <b>Earnings before Interest, Taxes, Depreciation, Amortization - EBITDA</b>           | <b>2,085</b> | <b>1,564</b> | <b>33.4%</b>  | <b>2,189</b> | <b>1,657</b> | <b>32.1%</b>  | <b>925</b>   | <b>1,054</b> | <b>-12.3%</b> |
| <b>Adjusted EBITDA <sup>(4)</sup> - Ex. tax credits<sup>(*)</sup></b>                 | <b>1,864</b> | <b>1,521</b> | <b>22.6%</b>  | <b>1,967</b> | <b>1,614</b> | <b>21.9%</b>  | <b>1,067</b> | <b>988</b>   | <b>7.9%</b>   |

**% Net Sales  
Revenue**

|                                                                                     | <b>9M18</b>  | <b>9M17</b>  | <b>9M18</b>  | <b>9M17</b>  | <b>9M18</b>  | <b>9M17</b>  |
|-------------------------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Gross Profit</b>                                                                 | <b>23.6%</b> | <b>24.3%</b> | <b>23.6%</b> | <b>24.3%</b> | <b>28.2%</b> | <b>30.5%</b> |
| Selling Expenses                                                                    | 15.0%        | 15.8%        | 15.0%        | 15.8%        | 20.0%        | 20.4%        |
| General and Administrative Expenses                                                 | 2.1%         | 2.3%         | 2.1%         | 2.3%         | 2.8%         | 3.0%         |
| <b>Selling, General and Adm. Expenses</b>                                           | <b>17.1%</b> | <b>18.1%</b> | <b>17.1%</b> | <b>18.1%</b> | <b>22.9%</b> | <b>23.4%</b> |
| Equity Income <sup>(2)</sup>                                                        | -0.1%        | -0.2%        | 0.1%         | 0.1%         | 0.3%         | 0.2%         |
| Other Operating Revenue (Expenses)                                                  | 0.5%         | 1.3%         | 0.5%         | 1.3%         | 1.0%         | 2.0%         |
| Depreciation and Amortization                                                       | 1.8%         | 1.8%         | 1.8%         | 1.8%         | 2.4%         | 2.3%         |
| <b>EBIT</b>                                                                         | <b>4.0%</b>  | <b>3.0%</b>  | <b>4.3%</b>  | <b>3.2%</b>  | <b>2.3%</b>  | <b>3.0%</b>  |
| <b>Net Financial Revenue (Expenses)</b>                                             | <b>1.2%</b>  | <b>1.6%</b>  | <b>1.2%</b>  | <b>1.6%</b>  | <b>2.0%</b>  | <b>2.5%</b>  |
| <b>Income Before Income Tax</b>                                                     | <b>2.9%</b>  | <b>1.3%</b>  | <b>3.1%</b>  | <b>1.6%</b>  | <b>0.3%</b>  | <b>0.5%</b>  |
| Income Tax                                                                          | -0.8%        | -0.6%        | -0.8%        | -0.6%        | 0.4%         | -0.2%        |
| Net Income (Loss) Company - continuing operations                                   | <b>2.1%</b>  | <b>0.8%</b>  | <b>2.3%</b>  | <b>1.1%</b>  | <b>0.7%</b>  | <b>0.3%</b>  |
| <b>Net Income (Loss) - Consolidated Company</b>                                     | <b>2.5%</b>  | <b>1.3%</b>  | <b>2.3%</b>  | <b>0.9%</b>  | <b>0.6%</b>  | <b>0.1%</b>  |
| Net Income (Loss) - Controlling Shareholders - continuing operations <sup>(3)</sup> | 2.1%         | 0.8%         | 2.3%         | 1.1%         | 0.7%         | 0.3%         |
| <b>Net Income (Loss) - Consolidated Controlling Shareholders<sup>(3)</sup></b>      | <b>2.2%</b>  | <b>0.9%</b>  | <b>2.3%</b>  | <b>0.9%</b>  | <b>0.6%</b>  | <b>0.1%</b>  |
| Minority Interest - Non-controlling - continuing operations                         | 0.0%         | 0.0%         | 0.0%         | 0.0%         | 0.0%         | 0.0%         |
| <b>Minority Interest -</b>                                                          | <b>0.3%</b>  | <b>0.4%</b>  | <b>0.0%</b>  | <b>0.0%</b>  | <b>0.0%</b>  | <b>0.0%</b>  |

**Non-controlling  
- Consolidated**

|                                                                               |             |             |             |             |             |             |
|-------------------------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>EBITDA</b>                                                                 | <b>5.9%</b> | <b>4.9%</b> | <b>6.2%</b> | <b>5.2%</b> | <b>4.8%</b> | <b>5.5%</b> |
| <b>Adjusted<br/>EBITDA <sup>(4)</sup> - Ex.<br/>tax credits<sup>(*)</sup></b> | <b>5.3%</b> | <b>4.7%</b> | <b>5.6%</b> | <b>5.0%</b> | <b>5.6%</b> | <b>5.2%</b> |

(1) Multivarejo includes the results of Malls and Corporate. (2) Equity income from Cdiscount is included in the Consolidated results and not in the Retail and Cash-and-Carry segments. (3) Net income after non-controlling interest. (4) EBITDA adjusted by the line "Other Operating Income and Expenses" (\*) Excludes nonrecurring tax credits related to 2Q18, with R\$45 million at Multivarejo referring to the sale to third parties of a portion of the tax credits related to the exclusion of ICMS from the calculation base of PIS/COFINS and R\$369 million at Assaí referring to the reversal of the provision related to ICMS ST credits for periods prior to the Supreme Court decision, recognized in cost of goods sold. In relation to 2Q17, R\$447 million was excluded at Multivarejo referring to nonrecurring tax credits in connection with the ICMS ST reimbursement, recognized in cost of goods sold.

### 3. Financial Result

| (R\$ million)                                                      | 3Q18         | 3Q17         | Δ              | 9M18         | 9M17         | Δ              |
|--------------------------------------------------------------------|--------------|--------------|----------------|--------------|--------------|----------------|
| <b>Financial Revenue</b>                                           | <b>48</b>    | <b>37</b>    | <b>29.9%</b>   | <b>127</b>   | <b>135</b>   | <b>-6.0%</b>   |
| <b>Financial Expenses</b>                                          | <b>(183)</b> | <b>(191)</b> | <b>-4.2%</b>   | <b>(541)</b> | <b>(659)</b> | <b>-17.9%</b>  |
| Cost of Debt                                                       | (104)        | (116)        | -10.3%         | (288)        | (427)        | -32.6%         |
| Cost of Receivables Discount                                       | (16)         | (19)         | -15.8%         | (102)        | (92)         | 10.9%          |
| Restatement of Contingent Liabilities and Other financial expenses | (63)         | (56)         | 12.5%          | (151)        | (140)        | 7.9%           |
| <b>Net Financial Revenue (Expenses)</b>                            | <b>(135)</b> | <b>(154)</b> | <b>-12.3%</b>  | <b>(414)</b> | <b>(524)</b> | <b>-21.0%</b>  |
| <b>% of Net Revenue</b>                                            | <b>1.1%</b>  | <b>1.4%</b>  | <b>-30 bps</b> | <b>1.2%</b>  | <b>1.6%</b>  | <b>-40 bps</b> |

In the financial statements of GPA as of September 30, 2018, due to the ongoing divestment of the interest held by GPA in Via Varejo S.A. as announced in the material fact notice of November 23, 2016, **the operations of Via Varejo are treated as discontinued operations**. Accordingly, net sales and other profit and loss accounts were adjusted retrospectively, as required under IFRS 5/CPC 31, approved by CVM Resolution 598/09 – Sale of non-current assets and discontinued operations.

### 4. Net Income

| (R\$ million)           | 3Q18       | 3Q17       | Δ            | 9M18         | 9M17         | Δ            | 3Q18       | 3Q17       | Δ            | 9M18         | 9M17         | Δ            |
|-------------------------|------------|------------|--------------|--------------|--------------|--------------|------------|------------|--------------|--------------|--------------|--------------|
| <b>EBITDA</b>           | <b>611</b> | <b>409</b> | <b>49.4%</b> | <b>2,085</b> | <b>1,564</b> | <b>33.4%</b> | <b>638</b> | <b>440</b> | <b>45.1%</b> | <b>2,189</b> | <b>1,657</b> | <b>32.1%</b> |
| Depreciation (Logistic) | (12)       | (14)       | -11.6%       | (37)         | (40)         | -7.2%        | (12)       | (14)       | -11.6%       | (37)         | (40)         | -7.2%        |
| Depreciation and        | (206)      | (194)      | 6.1%         | (625)        | (574)        | 8.8%         | (206)      | (194)      | 6.1%         | (625)        | (574)        | 8.8%         |

|                      |            |            |               |              |             |               |            |            |              |              |            |               |
|----------------------|------------|------------|---------------|--------------|-------------|---------------|------------|------------|--------------|--------------|------------|---------------|
| Amortization         |            |            |               |              |             |               |            |            |              |              |            |               |
| Net Financial        |            |            |               |              |             |               |            |            |              |              |            |               |
| Revenue              | (135)      | (154)      | -12.3%        | (414)        | (524)       | -21.0%        | (135)      | (154)      | -12.3%       | (414)        | (524)      | -21.0%        |
| (Expenses)           |            |            |               |              |             |               |            |            |              |              |            |               |
| <b>Income (Loss)</b> |            |            |               |              |             |               |            |            |              |              |            |               |
| <b>before</b>        | <b>258</b> | <b>474</b> | <b>47.3%</b>  | <b>1,010</b> | <b>426</b>  | <b>137.1%</b> | <b>285</b> | <b>782</b> | <b>64.8%</b> | <b>1,113</b> | <b>519</b> | <b>114.3%</b> |
| <b>Income Tax</b>    |            |            |               |              |             |               |            |            |              |              |            |               |
| Income Tax           | (70)       | (37)       | 89.7%         | (283)        | (179)       | 58.3%         | (70)       | (37)       | 89.7%        | (283)        | (179)      | 58.3%         |
| <b>Net Income</b>    |            |            |               |              |             |               |            |            |              |              |            |               |
| <b>(Loss)</b>        |            |            |               |              |             |               |            |            |              |              |            |               |
| <b>Company -</b>     | <b>188</b> | <b>10</b>  | <b>n.a.</b>   | <b>726</b>   | <b>247</b>  | <b>194.2%</b> | <b>215</b> | <b>414</b> | <b>21.9%</b> | <b>830</b>   | <b>340</b> | <b>143.8%</b> |
| <b>continuing</b>    |            |            |               |              |             |               |            |            |              |              |            |               |
| <b>operations</b>    |            |            |               |              |             |               |            |            |              |              |            |               |
| Net income           |            |            |               |              |             |               |            |            |              |              |            |               |
| from                 |            |            |               |              |             |               |            |            |              |              |            |               |
| discontinued         | (50)       | 90         | n.a.          | 163          | 178         | -8.6%         | (22)       | (12)       | 85.1%        | (18)         | (37)       | -49.9%        |
| operations           |            |            |               |              |             |               |            |            |              |              |            |               |
| <b>Net Income</b>    |            |            |               |              |             |               |            |            |              |              |            |               |
| <b>(Loss)</b>        |            |            |               |              |             |               |            |            |              |              |            |               |
| <b>Consolidated</b>  | <b>138</b> | <b>100</b> | <b>37.0%</b>  | <b>889</b>   | <b>425</b>  | <b>109.2%</b> | <b>193</b> | <b>295</b> | <b>59.3%</b> | <b>811</b>   | <b>304</b> | <b>167.3%</b> |
| <b>Company</b>       |            |            |               |              |             |               |            |            |              |              |            |               |
| Net Income           |            |            |               |              |             |               |            |            |              |              |            |               |
| (Loss) -             |            |            |               |              |             |               |            |            |              |              |            |               |
| Controlling          |            |            |               |              |             |               |            |            |              |              |            |               |
| Shareholders -       | 188        | 10         | n.a.          | 726          | 247         | 194.3%        | 215        | 41         | 422.6%       | 830          | 340        | 143.9%        |
| continuing           |            |            |               |              |             |               |            |            |              |              |            |               |
| operations           |            |            |               |              |             |               |            |            |              |              |            |               |
| Net Income           |            |            |               |              |             |               |            |            |              |              |            |               |
| (Loss) -             |            |            |               |              |             |               |            |            |              |              |            |               |
| Controlling          |            |            |               |              |             |               |            |            |              |              |            |               |
| Shareholders -       | (37)       | 34         | n.a.          | 52           | 50          | 2.5%          | (22)       | (13)       | 71.1%        | (18)         | (37)       | -49.9%        |
| descontinuing        |            |            |               |              |             |               |            |            |              |              |            |               |
| operations           |            |            |               |              |             |               |            |            |              |              |            |               |
| <b>Net Income</b>    |            |            |               |              |             |               |            |            |              |              |            |               |
| <b>(Loss) -</b>      |            |            |               |              |             |               |            |            |              |              |            |               |
| <b>Controlling</b>   | <b>150</b> | <b>44</b>  | <b>243.0%</b> | <b>778</b>   | <b>297</b>  | <b>161.8%</b> | <b>193</b> | <b>285</b> | <b>83.2%</b> | <b>811</b>   | <b>303</b> | <b>167.4%</b> |
| <b>Shareholders</b>  |            |            |               |              |             |               |            |            |              |              |            |               |
| <b>-</b>             |            |            |               |              |             |               |            |            |              |              |            |               |
| <b>Consolidated</b>  |            |            |               |              |             |               |            |            |              |              |            |               |
| Non recurring        |            |            |               |              |             |               |            |            |              |              |            |               |
| tax credits          | -          | -          | n.a.          | 414          | 447         | -7.4%         | -          | -          | n.a.         | 414          | 447        | -7.4%         |
| Income tax           |            |            |               |              |             |               |            |            |              |              |            |               |
| from non             |            |            |               |              |             |               |            |            |              |              |            |               |
| recurring tax        | -          | -          | n.a.          | (137)        | (111)       | 23.7%         | -          | -          | n.a.         | (137)        | (111)      | 23.7%         |
| credits              |            |            |               |              |             |               |            |            |              |              |            |               |
| <b>Net Income</b>    | <b>188</b> | <b>10</b>  | <b>n.a.</b>   | <b>449</b>   | <b>(90)</b> | <b>n.a</b>    | <b>215</b> | <b>414</b> | <b>21.9%</b> | <b>552</b>   | <b>4</b>   | <b>n.a</b>    |
| <b>(Loss) -</b>      |            |            |               |              |             |               |            |            |              |              |            |               |
| <b>Controlling</b>   |            |            |               |              |             |               |            |            |              |              |            |               |
| <b>Shareholders</b>  |            |            |               |              |             |               |            |            |              |              |            |               |

**- continuing  
operations ex  
tax credits  
Net Margin -  
Controlling  
Shareholders  
ex tax credits**

|             |             |                    |                  |                    |             |             |                    |             |             |                    |
|-------------|-------------|--------------------|------------------|--------------------|-------------|-------------|--------------------|-------------|-------------|--------------------|
| <b>1.5%</b> | <b>0.1%</b> | <b>140<br/>bps</b> | <b>1.3%-0.3%</b> | <b>160<br/>bps</b> | <b>1.8%</b> | <b>0.4%</b> | <b>140<br/>bps</b> | <b>1.6%</b> | <b>0.0%</b> | <b>160<br/>bps</b> |
|-------------|-------------|--------------------|------------------|--------------------|-------------|-------------|--------------------|-------------|-------------|--------------------|

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**5. Indebtedness**

| <b>(R\$ million)</b>                                                                | <b>09.30.2018</b> | <b>09.30.2017</b> |
|-------------------------------------------------------------------------------------|-------------------|-------------------|
| <b>Short Term Debt</b>                                                              | <b>(1,787)</b>    | <b>(1,387)</b>    |
| Loans and Financing                                                                 | (1,281)           | (870)             |
| Debentures and Promissory Notes                                                     | (507)             | (517)             |
| <b>Long Term Debt</b>                                                               | <b>(4,809)</b>    | <b>(3,321)</b>    |
| Loans and Financing                                                                 | (720)             | (789)             |
| Debentures                                                                          | (4,089)           | (2,532)           |
| <b>Total Gross Debt</b>                                                             | <b>(6,596)</b>    | <b>(4,708)</b>    |
| <b>Cash and Financial investments</b>                                               | <b>2,625</b>      | <b>1,266</b>      |
| <b>Net Debt</b>                                                                     | <b>(3,971)</b>    | <b>(3,442)</b>    |
| <b>EBITDA<sup>(1)</sup></b>                                                         | <b>2,836</b>      | <b>2,030</b>      |
| <b>Net Debt / EBITDA<sup>(1)</sup></b>                                              | <b>-1.40x</b>     | <b>-1.70x</b>     |
| On balance Credit Card Receivables not discounted                                   | 711               | 806               |
| <b>Net Debt incl. Credit Card Receivables not discounted</b>                        | <b>(3,260)</b>    | <b>(2,637)</b>    |
| <b>Net Debt incl. Credit Card Receivables not discounted / EBITDA<sup>(1)</sup></b> | <b>-1.15x</b>     | <b>-1.30x</b>     |

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*<sup>(1)</sup> EBITDA in the last 12 months.*

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

| (R\$ million)                                                    | 09.30.2018     | 09.30.2017     |
|------------------------------------------------------------------|----------------|----------------|
| <b>Net Income (Loss) for the period</b>                          | <b>889</b>     | <b>425</b>     |
| <u>Adjustment for reconciliation of net income</u>               |                |                |
| Deferred income tax                                              | 123            | (56)           |
| Loss (gain) on disposal of fixed and intangible assets           | 106            | 88             |
| Depreciation and amortization                                    | 662            | 614            |
| Interests and exchange variation                                 | 608            | 703            |
| Adjustment to present value                                      | 1              | -              |
| Equity Income                                                    | 31             | 36             |
| Provision for contingencies                                      | 404            | 403            |
| Provision for disposals and impairment of property and equipment | (2)            | 4              |
| Share-Based Compensation                                         | 33             | 23             |
| Allowance for doubtful accounts                                  | 464            | 521            |
| Provision for obsolescence/breakage                              | (19)           | (26)           |
| Deferred revenue                                                 | (324)          | (292)          |
| Other Operating Expenses                                         | (369)          | (447)          |
|                                                                  | <b>2,607</b>   | <b>1,996</b>   |
| <b>Asset (Increase) decreases</b>                                |                |                |
| Accounts receivable                                              | (765)          | (2,287)        |
| Inventories                                                      | (1,877)        | (1,075)        |
| Taxes recoverable                                                | (935)          | (93)           |
| Dividends received                                               | -              | 155            |
| Other Assets                                                     | (42)           | (49)           |
| Related parties                                                  | 188            | 131            |
| Restricted deposits for legal proceeding                         | (11)           | (286)          |
|                                                                  | <b>(3,442)</b> | <b>(3,504)</b> |
| <b>Liability (Increase) decrease</b>                             |                |                |
| Suppliers                                                        | (1,995)        | (2,446)        |
| Payroll and charges                                              | (14)           | 68             |
| Taxes and Social contributions payable                           | 81             | (229)          |
| Other Accounts Payable                                           | (108)          | 203            |
| Contingencies                                                    | (756)          | (252)          |
| Deferred revenue                                                 | 137            | (7)            |
| Taxes and Social contributions paid                              | (354)          | (74)           |
|                                                                  | <b>(3,009)</b> | <b>(2,737)</b> |
|                                                                  | <b>(3,844)</b> | <b>(4,245)</b> |



**Net cash generated from (used) in operating activities**

|                                            |                |                |
|--------------------------------------------|----------------|----------------|
| Acquisition of property and equipment      | (1,213)        | (988)          |
| Increase Intangible assets                 | (339)          | (221)          |
| Sales of property and equipment            | 148            | 106            |
| <b>Net cash flow investment activities</b> | <b>(1,404)</b> | <b>(1,103)</b> |

**Cash flow from financing activities**

|                                                               |            |                |
|---------------------------------------------------------------|------------|----------------|
| Increase of capital                                           | 1          | 7              |
| Funding and refinancing                                       | 7,096      | 6,289          |
| Payments of loans and financing                               | (5,972)    | (8,277)        |
| Dividend Payment                                              | (174)      | -              |
| Acquisition of society                                        | -          | (8)            |
| <b>Net cash generated from (used) in financing activities</b> | <b>951</b> | <b>(1,989)</b> |

**Increase (decrease) in cash and cash equivalents**

|                                                        |                |                |
|--------------------------------------------------------|----------------|----------------|
|                                                        | <b>(4,297)</b> | <b>(7,337)</b> |
| Cash and cash equivalents at the beginning of the year | 7,351          | 9,142          |
| Cash and cash equivalents at the end of the year       | 3,054          | 1,805          |
| <b>Change in cash and cash equivalents</b>             | <b>(4,297)</b> | <b>(7,337)</b> |

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

| <b>(R\$ million)</b>                                             | <b>9M18</b>    | <b>9M17</b>    |
|------------------------------------------------------------------|----------------|----------------|
| <b>Cash Balance at Beginning of Exercise</b>                     | <b>7,351</b>   | <b>9,142</b>   |
| <b>Cash Flow from Operating Activities</b>                       | <b>(3,844)</b> | <b>(4,245)</b> |
| EBITDA                                                           | 2,933          | 1,564          |
| Cost of Sale of Receivables                                      | (557)          | (668)          |
| Working Capital                                                  | (4,637)        | (5,808)        |
| Assets and Liabilities Variation                                 | (1,583)        | 667            |
| <b>Cash Flow from Investment Activities</b>                      | <b>(1,404)</b> | <b>(1,103)</b> |
| Net Investment                                                   | (1,404)        | (1,103)        |
| <b>Change on net cash after investments</b>                      | <b>(5,248)</b> | <b>(5,348)</b> |
| <b>Cash Flow from Financing Activities</b>                       | <b>951</b>     | <b>(1,989)</b> |
| Dividends Payments and Others                                    | (174)          | -              |
| Net Payments                                                     | 1,125          | (1,989)        |
| <b>Change on Net Cash</b>                                        | <b>(4,297)</b> | <b>(7,337)</b> |
| <b>Cash Balance at End of Exercise</b>                           | <b>3,054</b>   | <b>1,805</b>   |
| <b>Cash includes "Assets held for sale and op. Discontinued"</b> | <b>429</b>     | <b>539</b>     |
| <b>Cash t as balance sheet (excluding Via Varejo)</b>            | <b>2,625</b>   | <b>1,266</b>   |

*In the financial statements of GPA as of September 30, 2018, due to the ongoing divestment of the interest held by GPA in Via Varejo S.A. as announced in the material fact notice of November 23, 2016, the operations of Via Varejo are treated as discontinued operations. Accordingly, net sales and other profit and loss accounts were adjusted retrospectively, as required under IFRS 5/CPC 31, approved by CVM Resolution 598/09 – Sale of non-current assets and discontinued operations. Assets held for sale and the corresponding liabilities were reclassified only on the reporting date. Accordingly, movements in the above equity accounts include Via Varejo, however, the final cash position is reconciled so as to show only continuing operations.*

## 7. Capital Expenditure

| (R\$ million)                                | 3Q18       | 3Q17       | Δ           | 9M18         | 9M17         | Δ            |
|----------------------------------------------|------------|------------|-------------|--------------|--------------|--------------|
| New stores, land acquisition and conversions | 136        | 219        | -37.9%      | 381          | 374          | 1.9%         |
| Store renovations and Maintenance            | 258        | 131        | 96.7%       | 437          | 309          | 41.8%        |
| Infrastructure and Others                    | 107        | 114        | -6.3%       | 259          | 202          | 28.5%        |
| <b>Non-cash Effect</b>                       |            |            |             |              |              |              |
| Financing Assets                             | (14)       | (18)       | n.a         | 70           | 117          | -40.0%       |
| <b>Total</b>                                 | <b>488</b> | <b>446</b> | <b>9.3%</b> | <b>1,147</b> | <b>1,001</b> | <b>14.6%</b> |

## 8. Breakdown of Sales by Business

| (R\$ million)                     | 3Q18          | %             | 3Q17          | %             | Δ            | 9M18          | %             | 9M17          | %             |
|-----------------------------------|---------------|---------------|---------------|---------------|--------------|---------------|---------------|---------------|---------------|
| <b>Multivarejo</b>                | <b>6,925</b>  | <b>52.0%</b>  | <b>6,705</b>  | <b>56.9%</b>  | <b>3.3%</b>  | <b>20,756</b> | <b>54.1%</b>  | <b>20,680</b> | <b>59.4%</b>  |
| Pão de Açúcar                     | 1,838         | 13.8%         | 1,810         | 15.4%         | 1.5%         | 5,477         | 14.3%         | 5,294         | 15.2%         |
| Extra <sup>(1)</sup>              | 4,084         | 30.7%         | 4,022         | 34.1%         | 1.5%         | 12,379        | 32.3%         | 12,755        | 36.6%         |
| Convenience Stores <sup>(2)</sup> | 321           | 2.4%          | 277           | 2.4%          | 15.8%        | 921           | 2.4%          | 867           | 2.5%          |
| Other Businesses <sup>(3)</sup>   | 682           | 5.1%          | 596           | 5.1%          | 14.5%        | 1,979         | 5.2%          | 1,765         | 5.1%          |
| <b>Cash &amp; Carry</b>           | <b>6,382</b>  | <b>48.0%</b>  | <b>5,086</b>  | <b>43.1%</b>  | <b>25.5%</b> | <b>17,623</b> | <b>45.9%</b>  | <b>14,164</b> | <b>40.6%</b>  |
| Assaí                             | 6,382         | 48.0%         | 5,086         | 43.1%         | 25.5%        | 17,623        | 45.9%         | 14,164        | 40.6%         |
| <b>Food Business</b>              | <b>13,307</b> | <b>100.0%</b> | <b>11,791</b> | <b>100.0%</b> | <b>12.8%</b> | <b>38,379</b> | <b>100.0%</b> | <b>34,844</b> | <b>100.0%</b> |

| (R\$ million)                     | 3Q18          | %             | 3Q17          | %             | Δ            | 9M18          | %             | 9M17          | %             |
|-----------------------------------|---------------|---------------|---------------|---------------|--------------|---------------|---------------|---------------|---------------|
| <b>Multivarejo</b>                | <b>6,393</b>  | <b>52.2%</b>  | <b>6,225</b>  | <b>57.1%</b>  | <b>2.7%</b>  | <b>19,176</b> | <b>54.2%</b>  | <b>19,129</b> | <b>59.5%</b>  |
| Pão de Açúcar                     | 1,687         | 13.8%         | 1,671         | 15.3%         | 1.0%         | 5,032         | 14.2%         | 4,871         | 15.2%         |
| Extra <sup>(1)</sup>              | 3,735         | 30.5%         | 3,710         | 34.0%         | 0.7%         | 11,341        | 32.1%         | 11,725        | 36.5%         |
| Convenience Stores <sup>(2)</sup> | 300           | 2.4%          | 259           | 2.4%          | 16.1%        | 861           | 2.4%          | 808           | 2.5%          |
| Other Businesses <sup>(3)</sup>   | 671           | 5.5%          | 585           | 5.4%          | 14.6%        | 1,942         | 5.5%          | 1,725         | 5.4%          |
| <b>Cash &amp; Carry</b>           | <b>5,865</b>  | <b>47.8%</b>  | <b>4,684</b>  | <b>42.9%</b>  | <b>25.2%</b> | <b>16,201</b> | <b>45.8%</b>  | <b>12,996</b> | <b>40.5%</b>  |
| Assaí                             | 5,865         | 47.8%         | 4,684         | 42.9%         | 25.2%        | 16,201        | 45.8%         | 12,996        | 40.5%         |
| <b>Food Business</b>              | <b>12,258</b> | <b>100.0%</b> | <b>10,909</b> | <b>100.0%</b> | <b>12.4%</b> | <b>35,377</b> | <b>100.0%</b> | <b>32,125</b> | <b>100.0%</b> |

<sup>(1)</sup> Includes sales by Extra Supermercado and Extra Hiper.

<sup>(2)</sup> Includes sales by Minimercado Extra and Minuto Pão de Açúcar.

*<sup>(3)</sup> Includes sales by Gas stations, Drugstores, Delivery and rental revenue from commercial centers.*

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

|                     | <b>3Q18</b> | <b>3Q17</b> | <b>9M18</b> | <b>9M17</b> |
|---------------------|-------------|-------------|-------------|-------------|
| <b>Cash</b>         | 48.5%       | 50.4%       | 48.9%       | 51.1%       |
| <b>Credit Card</b>  | 40.4%       | 39.0%       | 40.2%       | 38.6%       |
| <b>Food Voucher</b> | 11.1%       | 10.6%       | 10.9%       | 10.3%       |

**10. Store Portfolio Changes by Banner**

|                                        | <b>06/30/2018</b> | <b>Opened</b> | <b>Opened by conversion</b> | <b>Closed</b> | <b>Closed to conversion</b> | <b>09/30/2018</b> |
|----------------------------------------|-------------------|---------------|-----------------------------|---------------|-----------------------------|-------------------|
| Pão de Açúcar                          | 186               | -             | -                           | -             | -                           | 186               |
| Extra Hiper                            | 113               | -             | -                           | -             | (1)                         | 112               |
| Extra Supermercado                     | 183               | -             | -                           | (2)           | (18)                        | 163               |
| Mercado Extra                          | 4                 | -             | 6                           | -             | -                           | 10                |
| Minimercado Extra                      | 183               | -             | -                           | -             | -                           | 183               |
| Minuto Pão de Açúcar                   | 82                | -             | -                           | -             | -                           | 82                |
| Assaí                                  | 130               | 3             | 1                           | -             | -                           | 134               |
| Other Business                         | 193               | -             | -                           | -             | -                           | 193               |
| Gas Station                            | 70                | -             | -                           | -             | -                           | 70                |
| Drugstores                             | 123               | -             | -                           | -             | -                           | 123               |
| <b>Food Business</b>                   | <b>1,074</b>      | <b>3</b>      | <b>7</b>                    | <b>(2)</b>    | <b>(19)</b>                 | <b>1,063</b>      |
| <b>Sales Area ('000 m<sup>2</sup>)</b> |                   |               |                             |               |                             |                   |
| Food Business                          | 1,802             |               |                             |               |                             | 1,799             |

The 19 stores closed/transferred to conversion refer to:

- 6 Extra Super stores already converted to Mercado Extra in 3Q18;
- 12 Extra Super stores that are closed and will be reopened in 4Q18 under the Compre Bem banner;
- 1 Extra Hiper store that is closed and will be reopened in 4Q18 under the Compre Bem banner.



### **3Q18 Results Conference Call and Webcast**

Friday, October 26, 2018  
10:30 a.m. (Brasília) | 9:30 a.m. (New York) | 2:30 p.m. (London)

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

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

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

+1 (646) 828-8246

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

#### **Replay**

+55 (11) 3193-1012 or +55 (11) 2820-4012

Access code for audio in Portuguese: 8126053

Access code for audio in English: 7656783

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

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**About GPA:** GPA is Brazil's largest retailer, with a distribution network comprising over 2,000 points of sale as well as electronic channels. Established in 1948 in São Paulo, it has its head office in the city and operations in 18

Brazilian states and the Federal District. With a strategy of focusing its decisions on customers and better serving them based on their consumer profile in the wide variety of shopping experiences it offers, GPA adopts a multi-business and multi-channel platform consisting of brick-and-mortar stores and e-commerce operations, divided into three business units: Multivarejo, which operates the supermarket, hypermarket and Minimercado store formats, as well as fuel stations and drugstores under the Pão de Açúcar and Extra banners; Assaí, which operates in the cash-and-carry wholesale segment; GPA Malls, which is responsible for managing the Group's real estate assets, expansion projects and new store openings; and Via Varejo's discontinued operations, with its bricks and mortar electronics and home appliances stores under the Casas Bahia and Pontofrio banners, and the e-commerce segment.

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



## Glossary

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

**Discontinued Activities:** Due to the ongoing divestment of the interest held by GPA in Via Varejo S.A., the operations of Via Varejo are treated as discontinued operations. Accordingly, net sales and other profit or loss accounts were adjusted retrospectively, as required under IFRS 5/CPC 31, approved by CVM Resolution 598/09 – Non-current assets held for sale and discontinued operations.

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

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

**Adjusted EBITDA:** Measure of profitability calculated by excluding Other Operating Income and Expenses from EBITDA. Management uses this measure in its analyses as it believes it eliminates nonrecurring expenses and revenues and other nonrecurring items that could compromise the comparability and analysis of results.

**Earnings per share:** Diluted earnings per share are calculated as follows:

Numerator: profit for the year adjusted by dilutive effects from stock options granted by subsidiaries.

Denominator: the number of shares of each category 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 with the Company and its subsidiaries' shares are only included in the calculation when its settlement has a dilutive impact on earnings per share.

**Compre Bem Project:** A pilot project that involves the conversion of 20 stores in order to enter a market niche currently dominated by regional supermarkets. The store model will be better adapted to the needs of consumers in the regions where the stores are located. The service and assortment of the perishables category will be strengthened, while other categories will have a leaner assortment. Compre Bem will be managed independently from the Extra Super banner, focusing on simplifying operating costs, especially in logistics and IT.

**Mercado Extra:** Pilot project in 10 stores with the objective of revitalizing Extra Super through the enhancement of perishables and consumer services, focusing on class B and C. There will be no change in the operational model of the stores, which will continue under the Extra banner management.

## Companhia Brasileira de Distribuição

Notes to the interim financial information

September 30, 2018

(In millions of Brazilian reais, unless otherwise stated)

### 1. Corporate information

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

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

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

#### 1.1. Arbitration Península

On September 12, 2017, the Company received a notice from the Brazil-Canada Chamber of Commerce regarding a request for arbitration filed by Banco Ourinvest S.A., a financial institution, in its capacity as fund manager and acting in the exclusively interest of the quotaholders of Fundo de Investimento Imobiliário Península ("Península" and the "Proceeding").

The Proceeding aims to discuss the calculation of the rental fees and other operational matters related to the stores owned by Peninsula, which are under several lease agreements and contracts entered into between the Company and Peninsula during 2005 (the "Agreements"). The Agreements assure to CBD the rent of the stores for a period of twenty (20) years as from their respective execution, which may be extended for an additional 20-year term, at CBD's exclusive criteria, and rules the calculation of the rental fees.

The Proceeding refers to certain terms and conditions of the Agreements and does not affect the continuity of the leasing of the stores, which are contractually assured. The Company and its legal advisors understand that the Proceeding will be decided favorably to CBD.

## **2. Basis of preparation**

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

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

The accounting information intermediate and consolidated regarding for the nine-month period ended September 30, 2018 were approved by the Board of Directors on October 25, 2018.

## **Companhia Brasileira de Distribuição**

Notes to the interim financial information

September 30, 2018

(In millions of Brazilian reais, unless otherwise stated)

### **2. Basis of preparation - Continued**

As a result of the process in progress for the sale of the subsidiary Via Varejo S.A. (note 32 on the financial statements for year ended December 31, 2017, presented in February 19, 2018) and in accordance to the CPC 31 / IFRS 5 – Non current assets held for sale and discontinued operation, the individual and consolidated interim financial information of the statement of the operations and the statement of the added value for the nine-month period September 30, 2018 and September 30, 2017 were presented with the effects of the transaction.

The cash flow statements presented include the continuing and discontinued operations in line with technical pronouncement CPC31 / IFRS 5. The cash for flow discontinued operations are presented in Note 31.1.

### **3. Basis of consolidation**

The information on the basis of consolidation did not have significant modification and was presented in the annual financial statements for 2017, in Note 3. In the period, a new company was established named SCB Distribuição e Comércio (SCB) controlled by CBD.

### **4. Significant accounting policies**

The significant accounting policies adopted by the Company in the preparation of the individual and consolidated interim financial information are consistent with those adopted and disclosed on Note 4 of the financial statements for the year ended December 31, 2017 and therefore should be read in conjunction with those annual financial statements, in note 5.1. and the policy of recognition and measurement of income tax in the interim period described in Note 19.1.

### **5. Adoption of new procedures, amendments and interpretations of pronouncements issued by IASB and CPC and standards published and not yet in force**

5.1. Amendments to IFRS and new interpretations applicable mandatorily as of January 1, 2018

The changes in accounting policies were also reflected in the Company's consolidated quarterly information for the nine-month period ended September 30, 2017.

The Company adopted for the first time CPC 47 / IFRS 15 Revenue from Contracts with Customers (see 5.1.1), CPC 48 / IFRS 9 Financial Instruments (see 5.1.2) as of January 1, 2018 and the Revision of Technical Pronouncements – No. 12/2017 as of January 1, 2018. A series of other new standards are effective as of January 1, 2018, although they have no material impact on the Company's financial statements.

The effect of the first-time adoption of these standards is mainly due to the following:

- Reclassification of bonuses received from suppliers;
- Reclassification of financial assets, with impacts on shareholders' equity (see note 5.1.2);
- Reclassification of the impacts of withheld taxes on share-based compensation (see Note 5.1.3);
- An increase in impairment losses recognized in financial assets (see Note 5.1.2).

## Companhia Brasileira de Distribuição

Notes to the interim financial information

September 30, 2018

(In millions of Brazilian reais, unless otherwise stated)

### **5. Adoption of new procedures, amendments and interpretations of pronouncements issued by IASB and CPC and standards published and not yet in force – Continued**

5.1. Amendments to IFRS and new interpretations applicable mandatorily as of January 1, 2018 - Continued

5.1.1 . CPC 47 / IFRS 15 Revenue from contracts with customers

CPC 47 / IFRS 15 establishes a comprehensive framework to determine if, when and for how long revenue is recognized. It substitutes CPC 30 / IAS 18 Revenue, CPC 17 / IAS 11 Construction Contracts and their respective interpretations.

The Company adopted CPC 47 / IFRS 15, with the effect of first-time adoption of the standard with retrospective effects (i.e. January 1, 2017). Consequently, we restated the Statement of income, statement of added value, statement of changes in shareholders equity and balance sheet, for the period reported previously in accordance with CPC 30 / IAS 18, CPC 17 / IAS 11 and the respective interpretations.

The effect of the adoption of CPC 47 / IFRS 15 is related to the classification of bonuses received from suppliers as deductions from the cost of sales instead of from administrative and selling expenses.

The details of the new significant accounting policies and the nature of the changes to previous accounting policies in relation to the diverse goods and services of the Company are described below:

(i) Revenue

a) Sales of goods

Revenue from sale of goods is recognized at its fair value and, when control over the products is transferred to the buyer, the Company and its subsidiaries cease to hold control or liability over the goods sold and the economic benefits generated for the Company and its subsidiaries are probable. No revenue is recognized if its realization is uncertain.

b) Service revenue

Since the Company and its subsidiaries are holders of policies on extended warranty insurance, financial protection insurance and personal accident insurance, and are sales agents in technical assistance and prepaid phone recharge, revenues earned are presented net of related costs and recognized as profit or

loss when it is probable that the economic benefits will flow to the Company and its subsidiaries and their amounts can be measured reliably.

c) Financial services revenue

Since consumer financing is an essential part of the business of the Company and its subsidiaries, for all financial instruments measured at amortized cost, financial revenue is recognized using the effective interest rate method, which discounts exactly the estimated future cash receipts through the expected life of the financial instrument, or in a shorter period of time, when applicable, from the carrying amount of the asset. Interest income is included under financial services, comprising gross profit in the income statement for the year. This practice is substantially related to discontinued activities.



## Companhia Brasileira de Distribuição

Notes to the interim financial information

September 30, 2018

(In millions of Brazilian reais, unless otherwise stated)

### **5. Adoption of new procedures, amendments and interpretations of pronouncements issued by IASB and CPC and standards published and not yet in force – Continued**

5.1. Amendments to IFRS and new interpretations applicable mandatorily as of January 1, 2018 - Continued

5.1.1 CPC 47 / IFRS 15 Revenue from contracts with customers - Continued

d) Interest income

For all the financial assets measured at their amortized cost, interest income is recorded using the effective interest rate method, which is the discount rate of the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, as applicable, from the carrying amount of the financial asset or liability. Interest income is included in the financial result in the income statement for the year.

e) Returns and cancellations

Returns and cancellations are recognized when the sale is concluded. Estimates are based on sales volumes and the history of returns in each reporting segment. Revenue is recognized net of returns and cancellations.

(ii) Cost of goods sold

The cost of goods sold comprises the cost of purchases net of discounts and bonuses received from suppliers, changes in inventories and logistics costs.

Bonuses received from suppliers are measured based on the contracts and agreements between the parties.

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

5.1.2 CPC 48 / IFRS 9 Financial Instruments

CPC 48 / IFRS 9 establishes the requirements for recognition and measurement of financial assets, financial liabilities and some contracts for purchase and sale of non-financial items. This standard replaces CPC 38 / IAS 39 – Financial Instruments: Recognition and Measurement.

CPC 48 / IFRS 9 retains most of the current requirements of CPC 38 / IAS 39 for the classification and measurement of financial liabilities. However, it eliminates previous categories of CPC 38 / IAS 39 for financial assets: held-to-maturity, loans and receivables and available-for-sale.

The adoption of CPC 48 / IFRS 9 did not have a significant impact on the Company's accounting policies related to financial liabilities and derivative instruments (for derivatives used as hedging instruments, see item (iii) below). The impact of CPC 48 / IFRS 9 on the Classification and Measurement of Financial assets is described below.

## Companhia Brasileira de Distribuição

Notes to the interim financial information

September 30, 2018

(In millions of Brazilian reais, unless otherwise stated)

### **5. Adoption of new procedures, amendments and interpretations of pronouncements issued by IASB and CPC and standards published and not yet in force – Continued**

5.1. Amendments to IFRS and new interpretations applicable mandatorily as of January 1, 2018 – Continued

#### 5.1.2 CPC 48 / IFRS 9 Financial Instruments - Continued

In accordance with CPC 48 / IFRS 9, upon initial recognition, a financial asset is classified as measured: at its amortized cost, at fair value through other comprehensive income (“FVOCI”) – debt instrument; FVOCI – equity instrument; or fair value through profit or loss (“FVPL”). The classification of financial assets according to CPC 48 / IFRS 9 is generally based on the business model in which a financial asset is managed and on the characteristics of its contractual cash flows. Embedded derivatives in which the main contracts is a financial asset under the scope of the standard are never separated. Instead, the hybrid financial instrument is fully evaluated for classification.

Details of the new significant accounting policies and the nature of changes to previous accounting policies in relation to the Company’s goods and services is described below:

#### i) Classification and measurement of Financial Assets and Liabilities

A financial asset is measured at its amortized cost if it meets both of the following conditions and is not designated as measured at FVPL:

- It is held within a business model whose goal is to maintain financial assets to receive contractual cash flows; and
- Its contractual terms generate, on specific dates, cash flows that are related to the payment of principal and interest on the outstanding principal amount.

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as measured at FVPL:

- It is held within a business model whose goal is achieved both through the receipt of contractual cash flows and through the sale of financial assets; and

- Its contractual terms generate, on specific dates, cash flows that are exclusively related to the payment of principal and interest on the outstanding principal amount.

Upon initial recognition of an investment in an equity instrument that is not held for trading, the Company may irrevocably choose to present subsequent changes in the fair value of the investment under other comprehensive income (“OCI”). This choice is made on an investment-by-investment basis.

## Companhia Brasileira de Distribuição

Notes to the interim financial information

September 30, 2018

(In millions of Brazilian reais, unless otherwise stated)

### **5. Adoption of new procedures, amendments and interpretations of pronouncements issued by IASB and CPC and standards published and not yet in force – Continued**

5.1. Amendments to IFRS and new interpretations applicable mandatorily as of January 1, 2018 – Continued

5.1.2. CPC 48 / IFRS 9 Financial Instruments - Continued

Any financial asset not classified as measured at their amortized cost or through FVOCI, as described above, are classified as FVPL. This includes all derivative financial assets. Upon initial recognition, the Company may irrevocably designate a financial asset that would otherwise meet the requirements to be measured at amortized cost or as FVOCI as FVPL if this eliminates or significantly reduces an accounting mismatch that would occur otherwise (fair value option available in CPC 48 / IFRS 9).

A financial asset (unless it refers to trade accounts receivable without a significant component of financing that is initially measured at the transaction price) is initially measured at fair value, plus, for an item that is not measured at FVPL, any transaction costs directly attributable to its acquisition.

Financial assets measures at FVPL – These assets are subsequently measured at fair value. The net result, including interest or revenue from dividends, is recognized in the result.

Financial assets at amortized cost – These assets are measured subsequent to amortized cost using the effective interest rate method. The amortized cost is reduced by impairment losses. Interest income, exchange gains and losses, and losses are recognized as profit or loss. Any gain or loss from derecognition is recognized as profit or loss.

Debt instruments at FVOCI – These assets are measured subsequently at fair value. Interest income calculated using the effective interest rate method, exchange gains and losses, and impairment losses are recognized as profit or loss. Other net income is recognized under OCI. In derecognition, the accumulated result under OCI is reclassified to result. On December 31, 2017, the amount under continuing operations was R\$11 at the parent company and R\$12 at the consolidated, and the amount under discontinued operation was R\$64.

ii) Impairment of financial assets

CPC 48 / IFRS 9 replaces the “incurred loss” model of CPC 38 / IAS 39 with an expected credit losses model. The new impairment loss model applies to financial assets measured at amortized cost, contractual assets and debt instruments measured at FVOCI, but does not apply to investments in equity instruments (shares) or financial assets measured at FVPL, as per CPC 48 / IFRS 9, loan losses are recognized earlier than under CPC 38 / IAS 39.

According to CPC 48 / IFRS 9, provisions for losses are measured at one of the following bases:

- Credit losses expected for 12 months (general model): these are credit losses that result in possible default events within 12 months from the balance sheet date and, subsequently, in case of deterioration of the credit risk, throughout the life of the instrument.
- Full lifetime expected credit losses (simplified model): these are credit losses resulting from all possible default events over the expected life of a financial instrument.

## Companhia Brasileira de Distribuição

Notes to the interim financial information

September 30, 2018

(In millions of Brazilian reais, unless otherwise stated)

### **5. Adoption of new procedures, amendments and interpretations of pronouncements issued by IASB and CPC and standards published and not yet in force – Continued**

5.1. Amendments to IFRS and new interpretations applicable mandatorily as of January 1, 2018 – Continued

5.1.2. CPC 48 / IFRS 9 Financial Instruments - Continued

ii) Impairment of financial assets - Continued

- Practical expedient: these are expected credit losses that are consistent with reasonable and sustainable information available, on the balance sheet date about past events, current conditions and forecasts of future economic conditions, which enable the verification of probable future loss based on the historical credit loss occurred in accordance with the maturity of securities.

The Company chose to measure provisions for losses from accounts receivable and other receivables and contractual assets at an amount that equals the credit loss expected for the full lifetime, and for trade accounts receivable, whose portfolio of receivables is fragmented, CDCI, rents receivable, wholesale accounts receivable and accounts receivable from freight companies, the practical expedient was applied through the adoption of a matrix of losses for each maturity range.

When determining whether the credit risk of a financial asset increased significantly since its initial recognition and while estimating the expected credit losses, the Company takes into account reasonable and sustainable information that is relevant and available free of cost or excessive effort. This includes quantitative and qualitative information and analysis, based on the Company's historical experience, during credit appraisal and considering information about projections.

The Company assumes that the credit risk of a financial asset increased significantly if the asset is overdue more than 90 days.

The Company considers a financial asset as in default when:

- there is little likelihood that the debtor will fully pay their obligations to the Company, without resorting to actions such as execution of guarantees (if any); or

- the financial asset is overdue more than 90 days.

The Company determined the credit risk of a debt security by analyzing the payment history, financial and macroeconomic conditions of the counterparty and the assessment of rating agencies, when applicable, thereby assessing each debt security individually.

The maximum period considered when estimating the expected credit loss is the maximum contractual period during which the company is exposed to the credit risk.

Measurement of expected credit losses – Expected credit losses are estimates weighted by the probability of credit losses based on historical losses and projections of related assumptions. Credit losses are measured at present value based on all cash insufficiencies (i.e. the differences between the cash flows owed to the Company according to contracts and the cash flows the Company expects to receive).

Expected credit losses are discounted by the effective interest rate of the financial asset.



## Companhia Brasileira de Distribuição

Notes to the interim financial information

September 30, 2018

(In millions of Brazilian reais, unless otherwise stated)

### **5. Adoption of new procedures, amendments and interpretations of pronouncements issued by IASB and CPC and standards published and not yet in force – Continued**

5.1. Amendments to IFRS and new interpretations applicable mandatorily as of January 1, 2018 – Continued

5.1.2. CPC 48 / IFRS 9 Financial Instruments - Continued

ii) Impairment of financial assets - Continued

Financial assets with credit recovery problems – On each reporting date, the Company evaluates whether the financial assets recorded at amortized cost and the debt securities measured at FVOCI show any indication of impairment. A financial asset shows “indication of impairment loss” in the occurrence of one or more events with adverse impact on the estimated future cash flows of the financial asset.

Presentation of impairment loss – Provision for losses for financial assets measured at amortized cost are deducted from the gross book value of the assets.

For financial instruments measured at FVOCI, the provision for losses is recognized in OCI, instead of deducting the book value of the asset.

Impairment losses related to trade accounts receivable and other receivables, including contractual assets, are presented separately in the statement of income and OCI. As a result, the Company reclassified impairment losses of R\$2 to selling expenses September 30, 2017, recognized under CPC 38/IAS 39.

Impairment of other financial assets is reported under “selling expenses”, similarly to the presentation under CPC 38 / IAS 39.

Impact of the new impairment loss model – For assets within the scope of the loss model of CPC 48 / IFRS 9, impairment should increase and become more volatile. The Company determined that the application of the requirements for impairment under CPC 48 / IFRS 9 on January 1, 2018 resulted in an additional provision of R\$6 in continuing operations.

The additional Provision of R\$175 in discontinued operations is composed as follows:

**Discontinued  
operations**

**12.31.2017**

|                                                |            |
|------------------------------------------------|------------|
| Accounts receivable from credit card operators | 24         |
| Consumer financing CDCI                        | 131        |
| Accounts receivable from freight companies     | 9          |
| Accounts receivable b2b                        | 11         |
| <b>Total</b>                                   | <b>175</b> |

Accounts receivable and contractual assets – The following analysis provides greater details on the calculation of expected credit losses related to accounts receivable and contractual assets when adopting CPC 48 / IFRS 9. The Company considers the model and some of the assumptions used in the calculation of these expected credit losses as the main sources of uncertainty in the estimate.

## Companhia Brasileira de Distribuição

Notes to the interim financial information

September 30, 2018

(In millions of Brazilian reais, unless otherwise stated)

### **5. Adoption of new procedures, amendments and interpretations of pronouncements issued by IASB and CPC and standards published and not yet in force – Continued**

5.1. Amendments to IFRS and new interpretations applicable mandatorily as of January 1, 2018 – Continued

5.1.2. CPC 48 / IFRS 9 Financial Instruments - Continued

ii) Impairment of financial assets – Continued

Expected credit losses were calculated based on real experiences of credit loss in recent years. The Company calculated the rates of expected credit loss separately for lessees of wholesale properties, accounts receivable from credit card operators and other clients.

The positions within each group were segmented based on common credit risk characteristics, such as:

- Credit risk level and historical losses – for wholesale clients and property rental; and
- Delinquency status, default risk and historical losses – for credit card operators and other clients.

Transition – Changes in accounting policies resulting from the adoption of CPC 48 / IFRS 9 were applied retrospectively, except as described below.

- The following assessments were made based on facts and circumstances that existed on the date of initial adoption.
  - Determination of the business model in which a financial asset is held.
  - Designation and cancellation of prior designations of certain financial assets and liabilities measured at FVPL.
  - Determinations of variables related to estimates of impairment.
  - Designation of certain investments in equity instruments not held for trading at FVOCI.

- All hedge relationships designated in CPC 38 / IAS 39 on December 31, 2017 met the criteria for hedge accounting pursuant to CPC 48 / IFRS 9 on January 1, 2018 and are, therefore, considered as continuing hedge relationships.

#### 5.1.3 Revision of Technical Pronouncements – no.12/2017

The entity must apply the change set forth in IFRS 2 / CPC 10 – “Share-based payment” to account for the withholding of share funds to pay the tax authority for the tax obligation of the employee associated with the share-based payment. Consequently, the payment made must be accounted for as a deduction from capital for the retained shares, except to the extent that the payment exceeds the fair value on the date of settlement by the net value of the own equity instruments withheld. As such, the liability related to the withheld liabilities in the amount of R\$10 at the parent company and R\$13 in the consolidated of continuing operations, and R\$8 in discontinued operations was reclassified to shareholders equity on the initial date of adoption, i.e. January 1, 2018.

**Companhia Brasileira de Distribuição**

Notes to the interim financial information

September 30, 2018

(In millions of Brazilian reais, unless otherwise stated)

**5. Adoption of new procedures, amendments and interpretations of pronouncements issued by IASB and CPC and standards published and not yet in force – Continued**

5.1. Amendments to IFRS and new interpretations applicable mandatorily as of January 1, 2018 – Continued

## 5.1.4. Presentation of the retrospective effects of the application of pronouncements

The effect of retrospective adoption of CPC 47 / IFRS 15 Revenue from Contracts with Customers, CPC 48 / IFRS 9 Financial Instruments as of January 1, 2017, with impacts on the statement of income for the nine-month period ended September 30, 2017, balance sheets on December 31, 2017, statements of cash flows on September 30, 2017, and statements of value added on September 30, 2017 are as follows:

**Balance Sheet**

|                                                   | <b>Parent Company<br/>12.31.2017</b> |                          |                               |                 |
|---------------------------------------------------|--------------------------------------|--------------------------|-------------------------------|-----------------|
|                                                   | <b>Originally<br/>reported</b>       | <b>Effects<br/>IFRS9</b> | <b>Equity<br/>effects (*)</b> | <b>Restated</b> |
| Trade receivables                                 | 440                                  | (12)                     | -                             | <b>428</b>      |
| Other receivables                                 | 256                                  | (3)                      | -                             | <b>253</b>      |
| Assets held for sale                              | 2,090                                | (77)                     | (4)                           | <b>2,009</b>    |
| <b>Total current assets</b>                       | <b>9,175</b>                         | <b>(92)</b>              | <b>(4)</b>                    | <b>9,079</b>    |
| Deferred income tax and social contribution       | 108                                  | 4                        | -                             | <b>112</b>      |
| Investments                                       | 3,368                                | (2)                      | (21)                          | <b>3,345</b>    |
| <b>Total noncurrent assets</b>                    | <b>13,803</b>                        | <b>2</b>                 | <b>(21)</b>                   | <b>13,784</b>   |
| <b>Total assets</b>                               | <b>22,978</b>                        | <b>(90)</b>              | <b>(25)</b>                   | <b>22,863</b>   |
| Provision for losses on investment in associates  | 165                                  | -                        | 30                            | <b>195</b>      |
| <b>Total noncurrent liabilities</b>               | <b>4,483</b>                         | <b>-</b>                 | <b>30</b>                     | <b>4,513</b>    |
| Shareholders' equity                              | 10,333                               | (90)                     | (55)                          | <b>10,188</b>   |
| <b>Total shareholders' equity</b>                 | <b>10,333</b>                        | <b>(90)</b>              | <b>(55)</b>                   | <b>10,188</b>   |
| <b>Total liabilities and shareholders' equity</b> | <b>22,978</b>                        | <b>(90)</b>              | <b>(25)</b>                   | <b>22,863</b>   |



**Companhia Brasileira de Distribuição**

Notes to the interim financial information

September 30, 2018

(In millions of Brazilian reais, unless otherwise stated)

**5. Adoption of new procedures, amendments and interpretations of pronouncements issued by IASB and CPC and standards published and not yet in force – Continued**

5.1. Amendments to IFRS and new interpretations applicable mandatorily as of January 1, 2018 – Continued

5.1.4. Presentation of the retrospective effects of the application of pronouncements – Continued

**Statement of Operations**

|                                                                | <b>Parent Company<br/>09.30.2017</b> |                           |                          |                               |                 |
|----------------------------------------------------------------|--------------------------------------|---------------------------|--------------------------|-------------------------------|-----------------|
|                                                                | <b>Originally<br/>reported</b>       | <b>Effects<br/>IFRS15</b> | <b>Effects<br/>IFRS9</b> | <b>Equity<br/>effects (*)</b> | <b>Restated</b> |
| Cost of Sales                                                  | (13,375)                             | 189                       | -                        | -                             | <b>(13,186)</b> |
| <b>Gross Profit</b>                                            | <b>5,595</b>                         | <b>189</b>                | <b>-</b>                 | <b>-</b>                      | <b>5,784</b>    |
| <b>Operating income (expenses)</b>                             |                                      |                           |                          |                               |                 |
| Selling Expenses                                               | (3,752)                              | (147)                     | (2)                      | -                             | <b>(3,901)</b>  |
| General and Administrative Expenses                            | (532)                                | (42)                      | -                        | -                             | <b>(574)</b>    |
| Share of Profit of Subsidiaries and Associates                 | 374                                  | -                         | (3)                      | (20)                          | <b>351</b>      |
| <b>Income (loss) Before Income Tax and Social Contribution</b> | <b>377</b>                           | <b>-</b>                  | <b>(5)</b>               | <b>(20)</b>                   | <b>352</b>      |
| Income Tax and Social Contribution                             | (19)                                 | -                         | -                        | -                             | <b>(19)</b>     |
| <b>Net Income (loss) from Continued Operations</b>             | <b>358</b>                           | <b>-</b>                  | <b>(5)</b>               | <b>(20)</b>                   | <b>333</b>      |
| Net Income (loss) from Discontinued Operations                 | (37)                                 | -                         | -                        | -                             | <b>(37)</b>     |
| <b>Net Income (loss) for the Period</b>                        | <b>321</b>                           | <b>-</b>                  | <b>(5)</b>               | <b>(20)</b>                   | <b>296</b>      |
| Attributed to:                                                 |                                      |                           |                          |                               |                 |
| Net Income (loss) from Continued Operations                    | 358                                  | -                         | (5)                      | (20)                          | <b>333</b>      |
|                                                                | (37)                                 | -                         | -                        | -                             | <b>(37)</b>     |

Net Income (loss) from  
Discontinued Operations

|                                          |     |   |     |      |            |
|------------------------------------------|-----|---|-----|------|------------|
| <b>Total of controlling shareholders</b> | 321 | - | (5) | (20) | <b>296</b> |
|------------------------------------------|-----|---|-----|------|------------|

**Balance Sheet**

|                                                   | <b>Originally reported</b> | <b>Consolidated<br/>12.31.2017</b> | <b>Equity effects (*)</b> | <b>Restated</b> |
|---------------------------------------------------|----------------------------|------------------------------------|---------------------------|-----------------|
|                                                   |                            | Effects IFRS9                      |                           |                 |
| Trade receivables                                 | 632                        | (14)                               | -                         | <b>618</b>      |
| Other receivables                                 | 271                        | (4)                                | -                         | <b>267</b>      |
| Assets held for sale                              | 22,961                     | (178)                              | (8)                       | <b>22,775</b>   |
| <b>Total current assets</b>                       | <b>33,220</b>              | <b>(196)</b>                       | <b>(8)</b>                | <b>33,016</b>   |
| Deferred income tax and social contribution       | 121                        | 4                                  | -                         | <b>125</b>      |
| Investments                                       | 177                        | -                                  | (21)                      | <b>156</b>      |
| <b>Total noncurrent assets</b>                    | <b>14,708</b>              | <b>4</b>                           | <b>(21)</b>               | <b>14,691</b>   |
| <b>Total assets</b>                               | <b>47,928</b>              | <b>(192)</b>                       | <b>(29)</b>               | <b>47,707</b>   |
| Provision for losses on investment in associates  | 165                        | -                                  | 30                        | <b>195</b>      |
| <b>Total noncurrent liabilities</b>               | <b>5,644</b>               | <b>-</b>                           | <b>30</b>                 | <b>5,674</b>    |
| Shareholders' equity                              | 10,333                     | (90)                               | (55)                      | <b>10,188</b>   |
| Non-controlling interest                          | 2,959                      | (101)                              | (5)                       | <b>2,853</b>    |
| <b>Total shareholders' equity</b>                 | <b>13,292</b>              | <b>(191)</b>                       | <b>(60)</b>               | <b>13,041</b>   |
| <b>Total liabilities and shareholders' equity</b> | <b>47,928</b>              | <b>(191)</b>                       | <b>(30)</b>               | <b>47,707</b>   |



**Companhia Brasileira de Distribuição**

Notes to the interim financial information

September 30, 2018

(In millions of Brazilian reais, unless otherwise stated)

**5. Adoption of new procedures, amendments and interpretations of pronouncements issued by IASB and CPC and standards published and not yet in force – Continued**

5.1. Amendments to IFRS and new interpretations applicable mandatorily as of January 1, 2018 – Continued

5.1.4. Presentation of the retrospective effects of the application of pronouncements – Continued

**Statements of Operations**

|                                                                    | <b>Consolidated<br/>09.30.2017</b> |                   |                  |                       |                 |
|--------------------------------------------------------------------|------------------------------------|-------------------|------------------|-----------------------|-----------------|
|                                                                    | <b>Originally<br/>reported</b>     | Effects<br>IFRS15 | Effects<br>IFRS9 | Equity<br>effects (*) | <b>Restated</b> |
| Cost of Sales                                                      | (24,525)                           | 196               | -                | -                     | <b>(24,329)</b> |
| <b>Gross Profit</b>                                                | 7,600                              | 196               | -                | -                     | <b>7,796</b>    |
| <b>Operating income (expenses)</b>                                 |                                    |                   |                  |                       |                 |
| Selling Expenses                                                   | (4,923)                            | (154)             | (2)              | -                     | <b>(5,079)</b>  |
| General and Administrative<br>Expenses                             | (694)                              | (42)              | -                | -                     | <b>(736)</b>    |
| Share of Profit of Subsidiaries<br>and Associates                  | (34)                               | -                 | -                | (18)                  | <b>(52)</b>     |
| <b>Income (loss) Before Income<br/>Tax and Social Contribution</b> | 447                                | -                 | (2)              | (18)                  | <b>427</b>      |
| Income Tax and Social<br>Contribution                              | (180)                              | -                 | -                | -                     | <b>(180)</b>    |
| <b>Net Income (loss) from<br/>Continued Operations</b>             | 267                                | -                 | (2)              | (18)                  | <b>247</b>      |
| Net Income (loss) from<br>Discontinued Operations                  | 188                                | -                 | (6)              | (4)                   | <b>178</b>      |
| <b>Net Income (loss) for the<br/>Period</b>                        | 455                                | -                 | (8)              | (22)                  | <b>425</b>      |
| Attributed to:                                                     |                                    |                   |                  |                       |                 |
| Net Income (loss) from<br>Continued Operations                     | 267                                | -                 | (3)              | (18)                  | <b>246</b>      |
|                                                                    | 54                                 | -                 | (2)              | (2)                   | <b>50</b>       |

Net Income (loss) from  
Discontinued Operations

|                                          |     |   |     |      |            |
|------------------------------------------|-----|---|-----|------|------------|
| <b>Total of controlling shareholders</b> | 321 | - | (5) | (20) | <b>296</b> |
|------------------------------------------|-----|---|-----|------|------------|

|                                                           |     |   |     |     |            |
|-----------------------------------------------------------|-----|---|-----|-----|------------|
| Non-controlling shareholders from discontinued operations | 134 | - | (3) | (2) | <b>129</b> |
|-----------------------------------------------------------|-----|---|-----|-----|------------|

|                                              |     |   |     |     |            |
|----------------------------------------------|-----|---|-----|-----|------------|
| <b>Total of non-controlling shareholders</b> | 134 | - | (3) | (2) | <b>129</b> |
|----------------------------------------------|-----|---|-----|-----|------------|

## Statement of Cash Flows

|                                                | <b>Parent Company<br/>09.30.2017</b> |               |                    |                 |
|------------------------------------------------|--------------------------------------|---------------|--------------------|-----------------|
|                                                | <b>Originally reported</b>           | Effects IFRS9 | Equity effects (*) | <b>Restated</b> |
| <b>Net Cash Operating Activities</b>           | (1,502)                              | 1             | (1)                | <b>(1,502)</b>  |
| <b>Cash Provided by the Operations</b>         | 516                                  | 1             | (1)                | <b>516</b>      |
| Net Income (Loss) for the Period               | 321                                  | (4)           | (21)               | <b>296</b>      |
| Deferred Income Tax                            | 4                                    | -             | -                  | <b>4</b>        |
| Share of Profit of Subsidiaries and Associates | (374)                                | 3             | 20                 | <b>(351)</b>    |
| Impairment                                     | -                                    | 4             | -                  | <b>4</b>        |
| Estimated loss on doubtful accounts            | 4                                    | (2)           | -                  | <b>2</b>        |

## Companhia Brasileira de Distribuição

Notes to the interim financial information

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### 5. Adoption of new procedures, amendments and interpretations of pronouncements issued by IASB and CPC and standards published and not yet in force – Continued

5.1. Amendments to IFRS and new interpretations applicable mandatorily as of January 1, 2018 – Continued

5.1.4. Presentation of the retrospective effects of the application of pronouncements – Continued

### Statement of Cash Flows

|                                                |                                | <b>Consolidated<br/>09.30.2017</b> |                               |                 |
|------------------------------------------------|--------------------------------|------------------------------------|-------------------------------|-----------------|
|                                                | <b>Originally<br/>reported</b> | <b>Effects<br/>IFRS9</b>           | <b>Equity<br/>effects (*)</b> | <b>Restated</b> |
| <b>Net Cash Operating Activities</b>           | (4,245)                        | -                                  | -                             | <b>(4,245)</b>  |
| <b>Cash Provided by the Operations</b>         | 1,996                          | -                                  | -                             | <b>1,996</b>    |
| Net Income (Loss) for the Period               | 455                            | (8)                                | (22)                          | <b>425</b>      |
| Deferred Income Tax                            | (70)                           | 14                                 | -                             | <b>(56)</b>     |
| Share of Profit of Subsidiaries and Associates | 14                             | -                                  | 22                            | <b>36</b>       |
| Impairment                                     | -                              | 4                                  | -                             | <b>4</b>        |
| Estimated loss on doubtful accounts            | 531                            | (10)                               | -                             | <b>521</b>      |

### Statement of Value Added

|                                            |                                | <b>Parent Company<br/>09.30.2017</b> |                          |                               |                 |
|--------------------------------------------|--------------------------------|--------------------------------------|--------------------------|-------------------------------|-----------------|
|                                            | <b>Originally<br/>reported</b> | <b>Effects<br/>IFRS15</b>            | <b>Effects<br/>IFRS9</b> | <b>Equity<br/>effects (*)</b> | <b>Restated</b> |
| Products Acquired from Third Parties       |                                |                                      |                          |                               |                 |
| Costs of Products, Goods and Services Sold | (13,912)                       | 189                                  | -                        | -                             | <b>(13,723)</b> |

|                                                     |          |       |     |      |                 |
|-----------------------------------------------------|----------|-------|-----|------|-----------------|
| Materials, Energy, Outsourced<br>Services and Other | (2,233)  | (189) | (2) | -    | <b>(2,424)</b>  |
|                                                     | (16,145) | -     | (2) | -    | <b>(16,147)</b> |
| Gross Value Added                                   | 4,656    | -     | (2) | -    | <b>4,654</b>    |
| Net Value Added Produced                            | 4,174    | -     | (2) | -    | <b>4,172</b>    |
| Share of Profit of Subsidiaries<br>and Associates   | 374      | -     | -   | (23) | <b>351</b>      |
|                                                     | 453      | -     | -   | (23) | <b>430</b>      |
| Total Value Added to Distribute                     | 4,627    | -     | (2) | (23) | <b>4,602</b>    |
| Value Distributed to<br>Shareholders                | 321      | -     | (2) | (23) | <b>296</b>      |
| Total Value Added Distributed                       | 4,627    | -     | (2) | (23) | <b>4,602</b>    |

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**Companhia Brasileira de Distribuição**

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September 30, 2018

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**5. Adoption of new procedures, amendments and interpretations of pronouncements issued by IASB and CPC and standards published and not yet in force – Continued**

5.1. Amendments to IFRS and new interpretations applicable mandatorily as of January 1, 2018 – Continued

5.1.4. Presentation of the retrospective effects of the application of pronouncements – Continued

**Statement of Value Added**

|                                                     | <b>Originally<br/>reported</b> | <b>Effects<br/>IFRS15</b> | <b>Consolidated<br/>09.30.2017<br/>Effects<br/>IFRS9</b> | <b>Equity<br/>effects (*)</b> | <b>Restated</b> |
|-----------------------------------------------------|--------------------------------|---------------------------|----------------------------------------------------------|-------------------------------|-----------------|
| Cost of Sales                                       | (25,868)                       | 196                       | -                                                        | -                             | <b>(25,672)</b> |
| Materials, Energy, Outsourced<br>Services and Other | (2,786)                        | (196)                     | (2)                                                      | -                             | <b>(2,984)</b>  |
|                                                     | (28,654)                       | -                         | (2)                                                      | -                             | <b>(28,656)</b> |
| Gross Value Added                                   | 6,481                          | -                         | (2)                                                      | -                             | <b>6,479</b>    |
| Net Value Added Produced                            | 5,867                          | -                         | (2)                                                      | -                             | <b>5,865</b>    |
| Value Added Received in<br>Transfer                 |                                |                           |                                                          |                               |                 |
| Share of Profit of Associates                       | (34)                           | -                         | -                                                        | (18)                          | <b>(52)</b>     |
| Net Income from Discontinued<br>Operations          | 188                            | -                         | (10)                                                     | -                             | <b>178</b>      |
|                                                     | 296                            | -                         | (10)                                                     | (18)                          | <b>268</b>      |
| Total Value Added to Distribute                     | 6,163                          | -                         | (12)                                                     | (18)                          | <b>6,133</b>    |
| Value Distributed to<br>Shareholders                | 455                            | -                         | (10)                                                     | (20)                          | <b>425</b>      |
|                                                     | 321                            | -                         | (5)                                                      | (20)                          | <b>296</b>      |

Retained Earnings/  
Accumulated Losses for the  
Period

Noncontrolling Interest in

|                             |       |   |      |      |              |
|-----------------------------|-------|---|------|------|--------------|
| Retained Earnings           | 134   | - | (5)  | -    | <b>129</b>   |
| Distribution of Value Added | 6,163 | - | (12) | (18) | <b>6,133</b> |

(\*) Effects of the application of IFRS 9 and IFRS 15 in associates.

## 5.2 New and revised standards and interpretations already issued and not yet adopted

The Company is assessing the impacts of adopting “IFRS 16 – Lease,” and significant impacts are expected, which are currently being measured and are expected to be concluded by the end of 2018.

There are no other standards and interpretations issued and not yet adopted that could, in the Management's opinion, have a significant impact on the results for the year or in the shareholders' equity reported by the Company in its separate and consolidated financial statements.

## Companhia Brasileira de Distribuição

Notes to the interim financial information

September 30, 2018

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

#### Judgments, estimates and assumptions

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

The significant assumptions and estimates for interim financial information for the nine-month period ended September 30, 2018 were the same as those adopted in the individual and consolidated financial statements for the year ended December 31, 2017, except for the application of CPC 48 / IFRS 9 described in Note 5.1.

### 7. Cash and cash equivalents

The detailed information on cash and cash equivalents was presented in the annual financial statements for 2017, in note 7.

|                                 | Rate | Parent Company |            | Consolidated |            |
|---------------------------------|------|----------------|------------|--------------|------------|
|                                 |      | 09.30.2018     | 12.31.2017 | 09.30.2018   | 12.31.2017 |
| Cash and banks - Brazil         |      | <b>158</b>     | 251        | <b>266</b>   | 396        |
| Cash and banks - Abroad         | (*)  | <b>82</b>      | 68         | <b>82</b>    | 68         |
| Short-term investments - Brazil | (**) | <b>1,761</b>   | 2,549      | <b>2,277</b> | 3,328      |
|                                 |      | <b>2,001</b>   | 2,868      | <b>2,625</b> | 3,792      |

(\*) Refers to amounts deposited in the United States of America in US Dollars.

(\*\*) Short-term investments as September 30, 2018 refer substantially to highly liquid investments accruing interest corresponding to a weighted average rate of 94.54% (98.07% on December 31, 2017) of the Interbank deposit Certificate ("CDI") and redeemable in terms of less than 90 days as of investment date.

## 8. Trade receivables

The detailed information on trade receivables was presented in the annual financial statements for 2017, in note 8.

|                                                     | <b>Parent Company</b> |                   | <b>Consolidated</b> |                   |
|-----------------------------------------------------|-----------------------|-------------------|---------------------|-------------------|
|                                                     | <b>09.30.2018</b>     | <b>12.31.2017</b> | <b>09.30.2018</b>   | <b>12.31.2017</b> |
|                                                     |                       | <b>Restated</b>   |                     | <b>Restated</b>   |
| Credit card companies                               | <b>335</b>            | 134               | <b>416</b>          | 234               |
| Credit card companies - related parties (note 12.2) | <b>284</b>            | 162               | <b>298</b>          | 170               |
| Sales vouchers                                      | <b>84</b>             | 84                | <b>198</b>          | 147               |
| Private label credit card                           | <b>25</b>             | 74                | <b>26</b>           | 74                |
| Receivables from related parties (note 12.2)        | <b>26</b>             | 11                | <b>8</b>            | -                 |
| Receivables from suppliers                          | <b>49</b>             | 46                | <b>64</b>           | 79                |
| Allowance for doubtful accounts (note 8.1)          | -                     | (3)               | <b>(4)</b>          | (6)               |
|                                                     | <b>803</b>            | 508               | <b>1.006</b>        | 698               |
| Current                                             | <b>750</b>            | 428               | <b>953</b>          | 618               |
| Noncurrent                                          | <b>53</b>             | 80                | <b>53</b>           | 80                |



**Companhia Brasileira de Distribuição**

Notes to the interim financial information

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**8. Trade receivables - Continued****8.1. Allowance for doubtful accounts**

|                                                            | <b>Parent Company</b> |                   | <b>Consolidated</b> |                   |
|------------------------------------------------------------|-----------------------|-------------------|---------------------|-------------------|
|                                                            | <b>09.30.2018</b>     | <b>09.30.2017</b> | <b>09.30.2018</b>   | <b>09.30.2017</b> |
|                                                            |                       | <b>Restated</b>   |                     | <b>Restated</b>   |
| <b>At the beginning of the period</b>                      | <b>(2)</b>            | <b>(1)</b>        | <b>(4)</b>          | <b>(3)</b>        |
| Adjustment related to IFRS 9                               | (1)                   | (1)               | (2)                 | (2)               |
| <b>Restated opening balance</b>                            | <b>(3)</b>            | <b>(2)</b>        | <b>(6)</b>          | <b>(5)</b>        |
| Loss/reversal in the period                                | -                     | (4)               | <b>(461)</b>        | (522)             |
| Write-off of receivables                                   | <b>3</b>              | 4                 | <b>555</b>          | 481               |
| Assets held for sale and discontinued operations (note 31) | -                     | -                 | <b>(92)</b>         | 41                |
| <b>At the end of the period</b>                            | <b>-</b>              | <b>(2)</b>        | <b>(4)</b>          | <b>(5)</b>        |

Below is the aging list of consolidated gross receivables, by maturity period:

| <b>Overdue receivables - Consolidated</b> |              |                        |                    |                   |                   |                    |
|-------------------------------------------|--------------|------------------------|--------------------|-------------------|-------------------|--------------------|
|                                           | <b>Total</b> | <b>Not<br/>overdue</b> | <b>&lt;30 days</b> | <b>30-60 days</b> | <b>61-90 days</b> | <b>&gt;90 days</b> |
| <b>09.30.2018</b>                         | 1,010        | 966                    | 27                 | 6                 | 2                 | 9                  |
| <b>12.31.2017- Restated</b>               | 704          | 673                    | 15                 | 5                 | 2                 | 9                  |

**9. Other receivables**

The detailed information on other receivables was presented in the annual financial statements for 2017, in note 9.

|                                          | <b>Parent Company</b> |                   | <b>Consolidated</b> |                   |
|------------------------------------------|-----------------------|-------------------|---------------------|-------------------|
|                                          | <b>09.30.2018</b>     | <b>12.31.2017</b> | <b>09.30.2018</b>   | <b>12.31.2017</b> |
|                                          |                       | <b>Restated</b>   |                     | <b>Restated</b>   |
| Receivable from Paes Mendonça (note 9.1) | <b>337</b>            | 337               | <b>532</b>          | 532               |
| Accounts receivable from insurers        | <b>205</b>            | 208               | <b>205</b>          | 208               |
| Receivable from sale of subsidiaries     | <b>86</b>             | 81                | <b>86</b>           | 81                |
| Rental receivable                        | <b>34</b>             | 47                | <b>37</b>           | 48                |

|                                          |             |      |             |      |
|------------------------------------------|-------------|------|-------------|------|
| Other                                    | <b>54</b>   | 37   | <b>63</b>   | 52   |
| Allowance for doubtful other receivables | <b>(13)</b> | (10) | <b>(15)</b> | (12) |
|                                          | <b>703</b>  | 700  | <b>908</b>  | 909  |
| Current                                  | <b>238</b>  | 253  | <b>247</b>  | 267  |
| Noncurrent                               | <b>465</b>  | 447  | <b>661</b>  | 642  |

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**9. Other receivables - Continued**

|                                                            | <b>Parent Company</b> |                   | <b>Consolidated</b> |                   |
|------------------------------------------------------------|-----------------------|-------------------|---------------------|-------------------|
|                                                            | <b>09.30.2018</b>     | <b>09.30.2017</b> | <b>09.30.2018</b>   | <b>09.30.2017</b> |
| <b>At the beginning of the period</b>                      | <b>(10)</b>           | <b>(6)</b>        | <b>(12)</b>         | <b>(7)</b>        |
| Allowance for doubtful other receivables                   | <b>(3)</b>            | -                 | <b>(4)</b>          | <b>(2)</b>        |
| Write-off of receivables                                   | -                     | -                 | <b>13</b>           | -                 |
| Assets held for sale and discontinued operations (note 31) | -                     | -                 | <b>(12)</b>         | <b>4</b>          |
| <b>At the end of the period</b>                            | <b>(13)</b>           | <b>(6)</b>        | <b>(15)</b>         | <b>(5)</b>        |

**9.1. Accounts receivable – Paes Mendonça.**

Accounts receivable from Paes Mendonça are 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 of commercial rights the stores lease and operated by the Company and Sendas. The maturity of the accounts receivable is linked to the lease whose the renewal for a period of 30 years was signed on September 29, 2018, approval at the meeting of Paes Mendonça on October 9, 2018. The current account with Paes Mendonça will be discounted from the premium aumont that the company has agreed to pay for this 30 day renewal.

**10. Inventories**

The detailed information on inventories was presented in the annual financial statements for 2017, in note 10.

**Parent Company****Consolidated**

|                                                                        | 09.30.2018 | 12.31.2017 | 09.30.2018 | 12.31.2017 |
|------------------------------------------------------------------------|------------|------------|------------|------------|
| Stores                                                                 | 2,048      | 2,013      | 3,852      | 3,564      |
| Distribution centers                                                   | 1,268      | 1,065      | 1,734      | 1,307      |
| Real estate inventories                                                | -          | -          | 9          | 24         |
| Allowance for losses on inventory obsolescence and damages (note 10.1) | (38)       | (36)       | (55)       | (73)       |
|                                                                        | 3,278      | 3,042      | 5,540      | 4,822      |

## 10.1.Allowance for losses on inventory obsolescence and damages

|                                                            | Parent Company |            | Consolidated |            |
|------------------------------------------------------------|----------------|------------|--------------|------------|
|                                                            | 09.30.2018     | 09.30.2017 | 09.30.2018   | 09.30.2017 |
| <b>At the beginning of the period</b>                      | (36)           | (41)       | (73)         | (75)       |
| Additions                                                  | (5)            | (9)        | (67)         | (77)       |
| Write-offs                                                 | 3              | 13         | 86           | 103        |
| Assets held for sale and discontinued operations (note 31) | -              | -          | (1)          | (4)        |
| <b>At the end of the period</b>                            | (38)           | (37)       | (55)         | (53)       |

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### 11. Recoverable taxes

The detailed information on recoverable taxes was presented in the annual financial statements for 2017, in note 11.

|                                                                                  | <b>Parent Company</b> |                   | <b>Consolidated</b> |                   |
|----------------------------------------------------------------------------------|-----------------------|-------------------|---------------------|-------------------|
|                                                                                  | <b>09.30.2018</b>     | <b>12.31.2017</b> | <b>09.30.2018</b>   | <b>12.31.2017</b> |
| State value-added tax on sales and services – ICMS                               | <b>1,306</b>          | 1,187             | <b>2,093</b>        | 1,886             |
| Provision for non-realization to ICMS                                            | -                     | -                 | <b>(20)</b>         | (369)             |
| Social Integration Program/Contribution for Social Security Financing-PIS/COFINS | <b>336</b>            | 286               | <b>567</b>          | 424               |
| Social Security Contribution - INSS                                              | <b>292</b>            | 281               | <b>321</b>          | 312               |
| Income tax and Social Contribution                                               | <b>39</b>             | 62                | <b>51</b>           | 71                |
| Other                                                                            | <b>3</b>              | 9                 | <b>13</b>           | 19                |
| Total                                                                            | <b>1,976</b>          | 1,825             | <b>3,025</b>        | 2,343             |
| Current                                                                          | <b>230</b>            | 360               | <b>363</b>          | 596               |
| Noncurrent                                                                       | <b>1,746</b>          | 1,465             | <b>2,662</b>        | 1,747             |

11.1. ICMS is expected to be realized as follows (net of provision for not realizing in consolidated):

|                   | <b>Parent Company</b> | <b>Consolidated</b> |
|-------------------|-----------------------|---------------------|
| In one year       | <b>165</b>            | <b>260</b>          |
| From 1 to 2 years | <b>155</b>            | <b>257</b>          |
| From 2 to 3 years | <b>139</b>            | <b>246</b>          |
| From 3 to 4 years | <b>135</b>            | <b>247</b>          |
| From 4 to 5 years | <b>126</b>            | <b>244</b>          |

More than 5 years

|              |              |
|--------------|--------------|
| <b>586</b>   | <b>819</b>   |
| <b>1,306</b> | <b>2,073</b> |

For the ICMS tax credits, management, based on technical feasibility studies, based on growth projections and related tax payments in the normal course of the operations, understand be viable the future compensation. The studies mentioned are prepared and reviewed periodically based on information extracted from Strategic Planning report, previously approved by the Board of Directors of the Company. For the financial information as of September 30, 2018, management has monitoring controls over the progress of the plan annually established, revaluating and including eventual new elements that contribute to the realization of ICMS tax credits, net of provision of R\$20, as shown above. On the occasion of a new ordinance (CAT 42, issued in May 2018) in the state of São Paulo, there were new prospects for the realization of ICMS in the State, which resulted in the reversal of the provision for non-realization of R\$369.

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**12. Related parties****12.1. Management and Advisory Committees compensation**

The expenses related to management compensation (officers appointed pursuant to the Bylaws including members of the Board of Directors and the related support committees) for the nine-months period ended September 30, 2018 and 2017, were as follows:

In thousands of Brazilian reais

|                        | <b>Base salary</b> |             | <b>Variable compensation</b> |             | <b>Stock option plan</b> |             | <b>Total</b>  |             |
|------------------------|--------------------|-------------|------------------------------|-------------|--------------------------|-------------|---------------|-------------|
|                        | <b>2018</b>        | <b>2017</b> | <b>2018</b>                  | <b>2017</b> | <b>2018</b>              | <b>2017</b> | <b>2018</b>   | <b>2017</b> |
| Board of directors (*) | <b>7,576</b>       | 4,377       | -                            | -           | -                        | -           | <b>7,576</b>  | 4,377       |
| Executive officers     | <b>14,759</b>      | 19,182      | <b>26,063</b>                | 19,363      | <b>9,412</b>             | 21,203      | <b>50,234</b> | 59,748      |
| Fiscal Council         | <b>228</b>         | 285         | -                            | -           | -                        | -           | <b>228</b>    | 285         |
|                        | <b>22,563</b>      | 23,844      | <b>26,063</b>                | 19,363      | <b>9,412</b>             | 21,203      | <b>58,038</b> | 64,410      |

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

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**12. Related parties – Continued****12.2. Balances and transactions with related parties.**

The detailed information on related parties was presented in the annual financial statements for 2017, in note 12.

|                                                               | Parent company    |      |              |      |                |      |                   |      | Transactions        |      |
|---------------------------------------------------------------|-------------------|------|--------------|------|----------------|------|-------------------|------|---------------------|------|
|                                                               | Balances          |      |              |      |                |      |                   |      |                     |      |
|                                                               | Trade receivables |      | Other assets |      | Trade payables |      | Other liabilities |      | Revenues (expenses) |      |
|                                                               | 2018              | 2017 | 2018         | 2017 | 2018           | 2017 | 2018              | 2017 | 2018                | 2017 |
| <b><u>Controlling shareholders:</u></b>                       |                   |      |              |      |                |      |                   |      |                     |      |
| Casino                                                        | 8                 | -    | -            | -    | 2              | 1    | 14                | 4    | (46)                | (35) |
| Euris                                                         | -                 | -    | -            | -    | -              | -    | 1                 | -    | (2)                 | (3)  |
| Exito                                                         | -                 | -    | -            | -    | -              | -    | -                 | -    | (1)                 | -    |
| Helicco                                                       | -                 | -    | -            | -    | -              | -    | -                 | -    | (4)                 | -    |
| <b><u>Subsidiaries:</u></b>                                   |                   |      |              |      |                |      |                   |      |                     |      |
| Novasoc Comercial                                             | -                 | -    | 43           | 45   | -              | -    | 2                 | 5    | 2                   | -    |
| Sendas Distribuidora                                          | 14                | 4    | 74           | 83   | 6              | 7    | -                 | -    | 65                  | -    |
| SCB Distribuição e Comércio                                   | -                 | -    | 4            | -    | -              | -    | -                 | -    | -                   | -    |
| Via Varejo                                                    | 4                 | 7    | 20           | 4    | 5              | 4    | 216               | 202  | (32)                | (50) |
| VVLOG Logística Ltda.                                         | -                 | -    | -            | -    | -              | -    | -                 | 1    | -                   | -    |
| Cnova Brasil                                                  | -                 | -    | 19           | 19   | -              | -    | -                 | -    | -                   | 36   |
| GPA M&P                                                       | -                 | -    | 4            | 6    | -              | -    | 13                | -    | (1)                 | -    |
| GPA Logística                                                 | -                 | -    | 58           | 30   | 5              | 17   | 46                | 26   | -                   | -    |
| <b><u>Associates</u></b>                                      |                   |      |              |      |                |      |                   |      |                     |      |
| FIC                                                           | 284               | 162  | 26           | 18   | 15             | 21   | -                 | -    | 80                  | 55   |
| <b><u>Other related parties</u></b>                           |                   |      |              |      |                |      |                   |      |                     |      |
| Greenyellow do Brasil Energia e Serviços Ltda (“Greenyellow”) | -                 | -    | -            | -    | -              | -    | 144               | 149  | (31)                | (38) |
| (i)                                                           |                   |      |              |      |                |      |                   |      |                     |      |
| Others                                                        | -                 | -    | 1            | 1    | -              | -    | -                 | -    | -                   | -    |
| Total                                                         | 310               | 173  | 249          | 206  | 33             | 50   | 436               | 387  | 30                  | (35) |





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

**12. Related parties – Continued****12.2. Balances and transactions with related parties – Continued**

|                                                             | Consolidated |      |        |      |          |      |             |      | Transactions |      |
|-------------------------------------------------------------|--------------|------|--------|------|----------|------|-------------|------|--------------|------|
|                                                             | Balances     |      |        |      |          |      |             |      |              |      |
|                                                             | Trade        |      | Other  |      | Trade    |      | Other       |      | Revenues     |      |
|                                                             | receivables  |      | assets |      | payables |      | liabilities |      | (expenses)   |      |
|                                                             | 2018         | 2017 | 2018   | 2017 | 2018     | 2017 | 2018        | 2017 | 2018         | 2017 |
| <b><u>Controlling shareholder:</u></b>                      |              |      |        |      |          |      |             |      |              |      |
| Casino                                                      | 8            | -    | -      | -    | 2        | 1    | 14          | 4    | (46)         | (35) |
| Euris                                                       | -            | -    | -      | -    | -        | -    | 1           | -    | (2)          | (3)  |
| Exito                                                       | -            | -    | -      | -    | -        | -    | -           | -    | (1)          | -    |
| Helicco                                                     | -            | -    | -      | -    | -        | -    | -           | -    | (4)          | -    |
| <b><u>Associates:</u></b>                                   |              |      |        |      |          |      |             |      |              |      |
| FIC                                                         | 298          | 170  | 32     | 24   | 21       | 22   | -           | -    | 115          | 55   |
| <b><u>Other related parties:</u></b>                        |              |      |        |      |          |      |             |      |              |      |
| Greenyellow do Brasil Energia e Serviços Ltda (Greenyellow) | -            | -    | -      | -    | -        | -    | 144         | 149  | (31)         | (38) |
| Others                                                      | -            | -    | 1      | 1    | -        | -    | -           | -    | -            | -    |
| Total                                                       | 306          | 170  | 33     | 25   | 23       | 23   | 159         | 153  | 31           | (21) |

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**13. Investments in subsidiaries and associates**

The detailed information on investments was presented in the annual financial statements for 2017, in note 13.

**13.1. Breakdown of investments**

|                                                            | Sendas       | Novasoc    | Via<br>Varejo | Parent Company<br>Bellamar | SCB         | Others       | Total (*)    |
|------------------------------------------------------------|--------------|------------|---------------|----------------------------|-------------|--------------|--------------|
| <b>Balances at 12.31.2017</b>                              | 3,122        | 5          | -             | 176                        | -           | (100)        | 3,203        |
| Adjustment related to IFRS 9                               | (3)          | -          | -             | (21)                       | -           | (29)         | (53)         |
| <b>Balances at 12.31.2017 - restated</b>                   | 3,119        | 5          | -             | 155                        | -           | (129)        | 3,150        |
| Share of profit of subsidiaries and associates             | <b>705</b>   | <b>(3)</b> | <b>85</b>     | <b>51</b>                  | <b>(19)</b> | <b>(118)</b> | <b>701</b>   |
| Stock options                                              | <b>6</b>     | -          | <b>4</b>      | -                          | -           | <b>1</b>     | <b>11</b>    |
| Capital increase                                           | -            | -          | -             | -                          | <b>22</b>   | -            | <b>22</b>    |
| Capital increase with property and equipment               | <b>98</b>    | -          | -             | -                          | <b>83</b>   | -            | <b>181</b>   |
| Share of other comprehensive income                        | -            | -          | <b>(18)</b>   | -                          | -           | <b>(43)</b>  | <b>(61)</b>  |
| Other movements                                            | -            | -          | <b>(1)</b>    | -                          | -           | -            | <b>(1)</b>   |
| Assets held for sale and discontinued operations (note 31) | -            | -          | <b>(70)</b>   | -                          | -           | -            | <b>(70)</b>  |
| <b>Balances at 09.30.2018</b>                              | <b>3,928</b> | <b>2</b>   | -             | <b>206</b>                 | <b>86</b>   | <b>(289)</b> | <b>3,933</b> |

(\*) Includes the effects of on the provision for losses on investments in associates in Luxco of R\$342 on September 30, 2018 (R\$195 on December 31, 2017).

|  | Sendas | Novasoc | Via<br>Varejo | Parent Company<br>Bellamar | Others | Total (*) |
|--|--------|---------|---------------|----------------------------|--------|-----------|
|--|--------|---------|---------------|----------------------------|--------|-----------|

|                                                            |       |     | <b>Restated</b> |     |      |       |
|------------------------------------------------------------|-------|-----|-----------------|-----|------|-------|
| <b>Balances at 12.31.2016</b>                              | 2,330 | 168 | -               | 443 | 73   | 3,014 |
| Adjustment related to IFRS 9                               | (2)   | -   | -               | (5) | (14) | (21)  |
| <b>Balances at 01.01.2017 - restated</b>                   | 2,328 | 168 | -               | 438 | 59   | 2,993 |
| Share of profit of subsidiaries and associates             | 294   | 8   | 99              | 41  | (91) | 351   |
| Dividends to receive                                       | -     | -   | -               | -   | (40) | (40)  |
| Stock options                                              | 2     | -   | 2               | -   | -    | 4     |
| Capital increase                                           | 53    | -   | -               | -   | -    | 53    |
| Capital increase with property and equipment               | 211   | -   | -               | -   | -    | 211   |
| Share of other comprehensive income                        | -     | -   | (8)             | -   | (12) | (20)  |
| Assets held for sale and discontinued operations (note 31) | -     | -   | (93)            | -   | -    | (93)  |
| <b>Balances at 09.30.2017</b>                              | 2,888 | 176 | -               | 479 | (84) | 3,459 |

(\*) Includes the effects of provision for losses on investments in associates in Luxco of R\$143.

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**13. Investments in subsidiaries and associates - Continued****13.1. Breakdown of investments - Continued**

|                                                                  | <b>Consolidated</b> |                                |
|------------------------------------------------------------------|---------------------|--------------------------------|
|                                                                  | <b>09.30.2018</b>   | <b>09.30.2017<br/>Restated</b> |
| <b>Balances in the beginning of the period</b>                   | <b>12</b>           | <b>294</b>                     |
| Adjustment related to IFRS 9                                     | (51)                | (19)                           |
| <b>Balances in the beginning of the period – restated</b>        | <b>(39)</b>         | <b>275</b>                     |
| Share of profit of associates – Continued operations             | (52)                | (52)                           |
| Share of profit of associates – Discontinued operations          | 21                  | 16                             |
| Share of other comprehensive income                              | (44)                | (14)                           |
| Dividends and interests on own capital – continued operations    | -                   | (90)                           |
| Dividends and interests on own capital - discontinued operations | -                   | (36)                           |
| Assets held for sale and discontinued operations (note 31)       | (21)                | 20                             |
| <b>Balances at the end of the period</b>                         | <b>(135)</b>        | <b>119</b>                     |

**14. Property and equipment**

|                         | <b>Parent company</b>            |                  |                     |                   |                     |                                  |
|-------------------------|----------------------------------|------------------|---------------------|-------------------|---------------------|----------------------------------|
|                         | <b>Balance at<br/>12.31.2017</b> | <b>Additions</b> | <b>Depreciation</b> | <b>Write-offs</b> | <b>Transfers(*)</b> | <b>Balance at<br/>09.30.2018</b> |
| Land                    | 1,094                            | -                | -                   | (13)              | (84)                | 997                              |
| Buildings               | 1,333                            | 3                | (33)                | (56)              | (54)                | 1,193                            |
| Leasehold improvements  | 2,142                            | 7                | (148)               | (15)              | 35                  | 2,021                            |
| Machinery and equipment | 904                              | 11               | (125)               | (15)              | 65                  | 840                              |
| Facilities              | 306                              | 3                | (28)                | (3)               | (4)                 | 274                              |
| Furniture and fixtures  | 365                              | 5                | (44)                | (14)              | 28                  | 340                              |
| Vehicles                | 2                                | -                | (1)                 | -                 | -                   | 1                                |

|                          |       |            |              |              |              |              |
|--------------------------|-------|------------|--------------|--------------|--------------|--------------|
| Construction in progress | 79    | <b>299</b> | -            | -            | <b>(272)</b> | <b>106</b>   |
| Other                    | 39    | <b>19</b>  | <b>(10)</b>  | -            | <b>(15)</b>  | <b>33</b>    |
| Total                    | 6,264 | <b>347</b> | <b>(389)</b> | <b>(116)</b> | <b>(301)</b> | <b>5,805</b> |

Finance lease

|              |       |            |              |              |              |              |
|--------------|-------|------------|--------------|--------------|--------------|--------------|
| IT equipment | 5     | -          | <b>(1)</b>   | -            | -            | <b>4</b>     |
| Buildings    | 17    | -          | -            | -            | -            | <b>17</b>    |
|              | 22    | -          | <b>(1)</b>   | -            | -            | <b>21</b>    |
| Total        | 6,286 | <b>347</b> | <b>(390)</b> | <b>(116)</b> | <b>(301)</b> | <b>5,826</b> |

(\*) See note 31.

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**14. Property and equipment - Continued**

|                          | <b>Balance at<br/>12.31.2016</b> | <b>Parent company</b> |                     |                   |                  | <b>Balance at<br/>09.30.2017</b> |
|--------------------------|----------------------------------|-----------------------|---------------------|-------------------|------------------|----------------------------------|
|                          |                                  | <b>Additions</b>      | <b>Depreciation</b> | <b>Write-offs</b> | <b>Transfers</b> |                                  |
| Land                     | 1,261                            | -                     | -                   | (31)              | (70)             | 1,160                            |
| Buildings                | 1,611                            | 4                     | (38)                | (131)             | (56)             | 1,390                            |
| Leasehold improvements   | 2,226                            | 18                    | (136)               | (66)              | 124              | 2,166                            |
| Machinery and equipment  | 1,047                            | 25                    | (134)               | (25)              | 87               | 1,000                            |
| Facilities               | 319                              | 41                    | (26)                | (7)               | (10)             | 317                              |
| Furniture and fixtures   | 396                              | 1                     | (44)                | (5)               | 21               | 369                              |
| Vehicles                 | 3                                | -                     | (1)                 | -                 | -                | 2                                |
| Construction in progress | 113                              | 285                   | -                   | (3)               | (293)            | 102                              |
| Other                    | 45                               | 14                    | (10)                | (1)               | (14)             | 34                               |
| <b>Total</b>             | <b>7,021</b>                     | <b>388</b>            | <b>(389)</b>        | <b>(269)</b>      | <b>(211)</b>     | <b>6,540</b>                     |
| <u>Finance lease</u>     |                                  |                       |                     |                   |                  |                                  |
| IT equipment             | 5                                | -                     | -                   | -                 | -                | 5                                |
| Buildings                | 17                               | -                     | -                   | -                 | -                | 17                               |
|                          | 22                               | -                     | -                   | -                 | -                | 22                               |
| <b>Total</b>             | <b>7,043</b>                     | <b>388</b>            | <b>(389)</b>        | <b>(269)</b>      | <b>(211)</b>     | <b>6,562</b>                     |

|                         | <b>Parenty Company</b>       |                                 |            | <b>Balance at 12.31.2017</b> |                                 |            |
|-------------------------|------------------------------|---------------------------------|------------|------------------------------|---------------------------------|------------|
|                         | <b>Balance at 09.30.2018</b> |                                 |            | <b>Cost</b>                  |                                 |            |
|                         | <b>Cost</b>                  | <b>Accumulated depreciation</b> | <b>Net</b> | <b>Cost</b>                  | <b>Accumulated depreciation</b> | <b>Net</b> |
| Land                    | 997                          | -                               | 997        | 1,094                        | -                               | 1,094      |
| Buildings               | 1,901                        | (708)                           | 1,193      | 2,190                        | (857)                           | 1,333      |
| Leasehold improvements  | 3,620                        | (1,599)                         | 2,021      | 3,659                        | (1,517)                         | 2,142      |
| Machinery and equipment | 2,173                        | (1,333)                         | 840        | 2,273                        | (1,369)                         | 904        |
| Facilities              | 576                          | (302)                           | 274        | 596                          | (290)                           | 306        |
| Furniture and fixtures  | 909                          | (569)                           | 340        | 962                          | (597)                           | 365        |
| Vehicles                | 8                            | (7)                             | 1          | 8                            | (6)                             | 2          |

|                          |               |                |              |        |         |       |
|--------------------------|---------------|----------------|--------------|--------|---------|-------|
| Construction in progress | <b>106</b>    | <b>-</b>       | <b>106</b>   | 79     | -       | 79    |
| Other                    | <b>129</b>    | <b>(96)</b>    | <b>33</b>    | 127    | (88)    | 39    |
|                          | <b>10,419</b> | <b>(4,614)</b> | <b>5,805</b> | 10,988 | (4,724) | 6,264 |
| <u>Finance lease</u>     |               |                |              |        |         |       |
| IT equipment             | <b>38</b>     | <b>(34)</b>    | <b>4</b>     | 37     | (32)    | 5     |
| Buildings                | <b>39</b>     | <b>(22)</b>    | <b>17</b>    | 40     | (23)    | 17    |
|                          | <b>77</b>     | <b>(56)</b>    | <b>21</b>    | 77     | (55)    | 22    |
| Total                    | <b>10,496</b> | <b>(4,670)</b> | <b>5,826</b> | 11,065 | (4,779) | 6,286 |



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**14. Property and equipment – Continued**

|                             | <b>Consolidated</b>              |                  |                     |                   |                  | <b>Assets held<br/>for sale and<br/>discontinued<br/>operations (*)</b> | <b>Balance at<br/>09.30.2018</b> |
|-----------------------------|----------------------------------|------------------|---------------------|-------------------|------------------|-------------------------------------------------------------------------|----------------------------------|
|                             | <b>Balance at<br/>12.31.2017</b> | <b>Additions</b> | <b>Depreciation</b> | <b>Write-offs</b> | <b>Transfers</b> |                                                                         |                                  |
| Land                        | 1,362                            | 20               | -                   | (13)              | (25)             | -                                                                       | 1,344                            |
| Buildings                   | 1,770                            | 90               | (43)                | (55)              | (51)             | -                                                                       | 1,711                            |
| Leasehold<br>improvements   | 3,492                            | 311              | (217)               | (75)              | 176              | (20)                                                                    | 3,667                            |
| Machinery and<br>equipment  | 1,262                            | 94               | (177)               | (37)              | 162              | (82)                                                                    | 1,222                            |
| Facilities                  | 487                              | 42               | (40)                | (14)              | 16               | (6)                                                                     | 485                              |
| Furniture and fixtures      | 540                              | 50               | (62)                | (18)              | 58               | (21)                                                                    | 547                              |
| Vehicles                    | 1                                | -                | -                   | (30)              | -                | 30                                                                      | 1                                |
| Construction in<br>progress | 126                              | 535              | -                   | (2)               | (447)            | (37)                                                                    | 175                              |
| Other                       | 63                               | 28               | (19)                | (1)               | (8)              | (2)                                                                     | 61                               |
| <b>Total</b>                | <b>9,103</b>                     | <b>1,170</b>     | <b>(558)</b>        | <b>(245)</b>      | <b>(119)</b>     | <b>(138)</b>                                                            | <b>9,213</b>                     |
| <u>Finance lease</u>        |                                  |                  |                     |                   |                  |                                                                         |                                  |
| Equipment                   | 6                                | -                | (1)                 | (1)               | -                | -                                                                       | 4                                |
| IT equipment                | 5                                | -                | (2)                 | -                 | -                | -                                                                       | 3                                |
| Furniture and fixtures      | 4                                | -                | -                   | -                 | -                | -                                                                       | 4                                |
| Buildings                   | 20                               | -                | -                   | -                 | -                | -                                                                       | 20                               |
|                             | 35                               | -                | (3)                 | (1)               | -                | -                                                                       | 31                               |
| <b>Total</b>                | <b>9,138</b>                     | <b>1,170</b>     | <b>(561)</b>        | <b>(246)</b>      | <b>(119)</b>     | <b>(138)</b>                                                            | <b>9,244</b>                     |

|  | <b>Consolidated</b>              |                  |                           |                   |                  | <b>Assets held<br/>for sale and<br/>discontinued</b> | <b>Balance at<br/>09.30.2017</b> |
|--|----------------------------------|------------------|---------------------------|-------------------|------------------|------------------------------------------------------|----------------------------------|
|  | <b>Balance at<br/>12.31.2016</b> | <b>Additions</b> | <b>Depre-<br/>ciation</b> | <b>Write-offs</b> | <b>Transfers</b> |                                                      |                                  |

|                          | operations (*) |            |              |              |          |             |              |
|--------------------------|----------------|------------|--------------|--------------|----------|-------------|--------------|
| Land                     | 1,414          | -          | -            | (30)         | -        | -           | 1,384        |
| Buildings                | 1,856          | 76         | (44)         | (132)        | 36       | -           | 1,792        |
| Leasehold improvements   | 3,284          | 179        | (184)        | (75)         | 226      | (13)        | 3,417        |
| Machinery and equipment  | 1,340          | 105        | (174)        | (30)         | 109      | (19)        | 1,331        |
| Facilities               | 433            | 72         | (33)         | (9)          | 12       | (1)         | 474          |
| Furniture and fixtures   | 543            | 29         | (59)         | (6)          | 34       | (14)        | 527          |
| Vehicles                 | 2              | -          | (1)          | (6)          | 5        | 1           | 1            |
| Construction in progress | 204            | 384        | -            | (3)          | (413)    | (5)         | 167          |
| Other                    | 63             | 19         | (16)         | (1)          | (9)      | -           | 56           |
| <b>Total</b>             | <b>9,139</b>   | <b>864</b> | <b>(511)</b> | <b>(292)</b> | <b>-</b> | <b>(51)</b> | <b>9,149</b> |
| <u>Finance lease</u>     |                |            |              |              |          |             |              |
| Equipment                | 9              | -          | (2)          | -            | -        | -           | 7            |
| IT equipment             | 8              | -          | (2)          | -            | -        | -           | 6            |
| Furniture and fixtures   | 6              | -          | (1)          | -            | -        | -           | 5            |
| Buildings                | 20             | -          | -            | -            | -        | -           | 20           |
|                          | 43             | -          | (5)          | -            | -        | -           | 38           |
| <b>Total</b>             | <b>9,182</b>   | <b>864</b> | <b>(516)</b> | <b>(292)</b> | <b>-</b> | <b>(51)</b> | <b>9,187</b> |

(\*) See note 31.

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**14. Property and equipment – Continued**

|                          | <b>Consolidated</b>          |                                 |              |                              |                                 |              |
|--------------------------|------------------------------|---------------------------------|--------------|------------------------------|---------------------------------|--------------|
|                          | <b>Balance at 09.30.2018</b> |                                 |              | <b>Balance at 12.31.2017</b> |                                 |              |
|                          | <b>Cost</b>                  | <b>Accumulated depreciation</b> | <b>Net</b>   | <b>Cost</b>                  | <b>Accumulated depreciation</b> | <b>Net</b>   |
| Land                     | 1,344                        | -                               | 1,344        | 1,362                        | -                               | 1,362        |
| Buildings                | 2,511                        | (800)                           | 1,711        | 2,705                        | (935)                           | 1,770        |
| Leasehold improvements   | 5,645                        | (1,978)                         | 3,667        | 5,310                        | (1,818)                         | 3,492        |
| Machinery and equipment  | 2,809                        | (1,587)                         | 1,222        | 2,828                        | (1,566)                         | 1,262        |
| Facilities               | 841                          | (356)                           | 485          | 817                          | (330)                           | 487          |
| Furniture and fixtures   | 1,217                        | (670)                           | 547          | 1,209                        | (669)                           | 540          |
| Vehicles                 | 8                            | (7)                             | 1            | 8                            | (7)                             | 1            |
| Construction in progress | 175                          | -                               | 175          | 126                          | -                               | 126          |
| Other                    | 197                          | (136)                           | 61           | 183                          | (120)                           | 63           |
|                          | <b>14,747</b>                | <b>(5,534)</b>                  | <b>9,213</b> | <b>14,548</b>                | <b>(5,445)</b>                  | <b>9,103</b> |
| <u>Finance lease</u>     |                              |                                 |              |                              |                                 |              |
| Equipment                | 26                           | (22)                            | 4            | 26                           | (20)                            | 6            |
| IT equipment             | 45                           | (42)                            | 3            | 46                           | (41)                            | 5            |
| Facilities               | 1                            | (1)                             | -            | 1                            | (1)                             | -            |
| Furniture and fixtures   | 14                           | (10)                            | 4            | 13                           | (9)                             | 4            |
| Buildings                | 43                           | (23)                            | 20           | 43                           | (23)                            | 20           |
|                          | <b>129</b>                   | <b>(98)</b>                     | <b>31</b>    | <b>129</b>                   | <b>(94)</b>                     | <b>35</b>    |
| <b>Total</b>             | <b>14,876</b>                | <b>(5,632)</b>                  | <b>9,244</b> | <b>14,677</b>                | <b>(5,539)</b>                  | <b>9,138</b> |

**14.1. Capitalized borrowing costs**

The consolidated capitalized borrowing costs for the nine-months period ended September 30, 2018 were R\$12 (R\$9 for the nine-month period ended September 30, 2017). The rate used to determine the borrowing costs eligible for capitalization was 101.67% of the CDI (101.72% of the CDI for the period ended September 30, 2017), corresponding to the effective interest rate on the Company's borrowings.

**14.2. Additions to property and equipment for cash flow presentation purposes:**

|                                              | <b>Parent Company</b> |                   | <b>Consolidated</b> |                   |
|----------------------------------------------|-----------------------|-------------------|---------------------|-------------------|
|                                              | <b>09.30.2018</b>     | <b>09.30.2017</b> | <b>09.30.2018</b>   | <b>09.30.2017</b> |
| Additions                                    | <b>347</b>            | 388               | <b>1,170</b>        | 864               |
| Capitalized borrowing costs                  | <b>(4)</b>            | (4)               | <b>(12)</b>         | (9)               |
| Property and equipment financing - Additions | <b>(309)</b>          | (36)              | <b>(684)</b>        | (219)             |
| Property and equipment financing - Payments  | <b>373</b>            | 101               | <b>739</b>          | 352               |
| Total                                        | <b>407</b>            | 449               | <b>1,213</b>        | 988               |

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### 14. Property and equipment – Continued

#### 14.3. Other information

On September 30, 2018, the Company and its subsidiaries recorded in the cost of sales the amount of R\$30 in the parent company (R\$35 on September 30, 2017) and R\$37 in consolidated (R\$40 on September 30, 2017) related to the depreciation of its fleet of trucks, machinery, buildings and facilities related to the distribution centers.

The Company monitored the plan for impairment test performed on December 31, 2017 and there were no significant discrepancies indicating loss or need to perform a new impairment test On September 30, 2018.

### 15. Intangible assets

The detailed information on intangible assets was presented in the annual financial statements for 2017, in note 15.

|                             |                          | Parent Company |              |                          |
|-----------------------------|--------------------------|----------------|--------------|--------------------------|
|                             | Balance at<br>12.31.2017 | Additions      | Amortization | Balance at<br>09.30.2018 |
| Goodwill - retail           | 501                      | -              | -            | 501                      |
| Commercial rights - retail  | 46                       | -              | -            | 46                       |
| Software and implementation | 509                      | 103            | (63)         | 549                      |
| Software capital leasing    | 137                      | -              | (31)         | 106                      |
| Total                       | 1,193                    | 103            | (94)         | 1,202                    |

|  | Consolidated             |           |              |            |                                             |
|--|--------------------------|-----------|--------------|------------|---------------------------------------------|
|  | Balance at<br>12.31.2017 | Additions | Amortization | Write-offs | Balance at<br>09.30.2018                    |
|  |                          |           |              | Transfer   | Assets held<br>for sale and<br>discontinued |

|                          |              |            |              |            |             | <b>operations (*)</b> |              |
|--------------------------|--------------|------------|--------------|------------|-------------|-----------------------|--------------|
| Goodwill - retail        | <b>1,107</b> | -          | -            | -          | -           | -                     | <b>1,107</b> |
| Tradename                | <b>39</b>    | -          | -            | -          | -           | -                     | <b>39</b>    |
| Commercial rights        | <b>86</b>    | -          | -            | -          | <b>1</b>    | -                     | <b>87</b>    |
| Software                 | <b>551</b>   | <b>372</b> | <b>(68)</b>  | <b>(8)</b> | <b>(14)</b> | <b>(237)</b>          | <b>596</b>   |
| Software capital leasing | <b>141</b>   | -          | <b>(33)</b>  | -          | -           | -                     | <b>108</b>   |
| Total                    | <b>1,924</b> | <b>372</b> | <b>(101)</b> | <b>(8)</b> | <b>(13)</b> | <b>(237)</b>          | <b>1,937</b> |

(\*) See note 31.

In the Parent Company, the balance of accumulated cost on September 30, 2018 is R\$2,856 (R\$2,754 on December 31, 2017) and of accumulated amortization R\$1,654 (R\$1,561 on December 31, 2017). In the Consolidated the balance of accumulated cost on September 30, 2018 is R\$3,873 (R\$3,757 on December 31, 2017) and of accumulated amortization R\$1,936 (R\$1,833 on December 31, 2017).

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### 15. Intangible assets – Continued

#### 15.1. Impairment testing of goodwill, brands and intangible assets with indefinite useful life

Goodwill and intangible assets were tested for impairment as of December 31, 2017 according to the method described in note 4 - Significant accounting policies, in the financial statements for the year ended December 31, 2017.

The Company has not observed any significant changes that would indicate to perform a new impairment test as on September 30, 2018.

#### 15.2. Additions to intangible assets for reconcile cash flow presentation purposes:

|                                         | <b>Parent Company</b> |                   | <b>Consolidated</b> |                   |
|-----------------------------------------|-----------------------|-------------------|---------------------|-------------------|
|                                         | <b>09.30.2018</b>     | <b>09.30.2017</b> | <b>09.30.2018</b>   | <b>09.30.2017</b> |
| Additions                               | <b>103</b>            | 79                | <b>372</b>          | 172               |
| Finance lease                           | -                     | (12)              | -                   | (20)              |
| Intangible assets financing - Additions | -                     | -                 | <b>(33)</b>         | -                 |
| Intangible assets financing - Payments  | -                     | 4                 | -                   | 69                |
| Total                                   | <b>103</b>            | 71                | <b>339</b>          | 221               |

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**16. Borrowings and financing**

The detailed information on borrowings and financing was presented in the annual financial statements for 2017, in note 17.

**16.1. Debt breakdown**

|                                                                    |                       | Parent Company |            | Consolidated |            |
|--------------------------------------------------------------------|-----------------------|----------------|------------|--------------|------------|
|                                                                    | Weighted average rate | 09.30.2018     | 12.31.2017 | 09.30.2018   | 12.31.2017 |
| <u>Debentures and promissory note</u>                              |                       |                |            |              |            |
| Debentures and Certificate of Agribusiness Receivables (note 16.4) | 101.72% of CDI        | 4,596          | 3,015      | 4,596        | 3,015      |
|                                                                    |                       | 4,596          | 3,015      | 4,596        | 3,015      |
| <u>Borrowings and financing</u>                                    |                       |                |            |              |            |
| <u>Local currency</u>                                              |                       |                |            |              |            |
| BNDES                                                              | 3.90% per year        | 6              | 7          | 40           | 45         |
| Working capital                                                    | 105.4% of CDI         | 283            | 285        | 283          | 285        |
| Working capital                                                    | TR + 9.80% per year   | 18             | 19         | 116          | 125        |
| Finance lease (note 21)                                            |                       | 140            | 181        | 149          | 195        |
| Swap contracts (note 16.7)                                         | 101.44% of CDI        | (3)            | (3)        | (16)         | (19)       |
| Borrowing cost                                                     |                       | -              | (2)        | (4)          | (4)        |
|                                                                    |                       | 444            | 487        | 568          | 627        |
| <u>Foreign currency (note 16.5)</u>                                |                       |                |            |              |            |
| Working capital                                                    | USD + 3.33% per year  | 684            | 333        | 1,370        | 664        |
| Working capital                                                    | EURO + 1.56% per year | 230            | 200        | 230          | 200        |
| Swap contracts (note 16.7)                                         | 103.24% of CDI        | (89)           | 53         | (167)        | 55         |
| Borrowing cost                                                     |                       | -              | (1)        | -            | (1)        |
|                                                                    |                       | 825            | 585        | 1,433        | 918        |
| Total                                                              |                       | 5,865          | 4,087      | 6,597        | 4,560      |



|                        |              |       |              |       |
|------------------------|--------------|-------|--------------|-------|
| Current assets         | <b>49</b>    | -     | <b>67</b>    | -     |
| Noncurrent assets      | <b>43</b>    | 12    | <b>121</b>   | 28    |
| Current liabilities    | <b>1,541</b> | 1,223 | <b>1,855</b> | 1,251 |
| Noncurrent liabilities | <b>4,416</b> | 2,876 | <b>4,930</b> | 3,337 |

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## Companhia Brasileira de Distribuição

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### 16. Borrowings and financing – Continued

#### 16.2.Changes in borrowings

|                                                       | Parent<br>Company | Consolidated |
|-------------------------------------------------------|-------------------|--------------|
| <b>At December 31, 2017</b>                           | 4,087             | 4,560        |
| Additions - working capital                           | 2,687             | 7,096        |
| Accrued interest                                      | 215               | 462          |
| Accrued swap                                          | (88)              | (201)        |
| Mark-to-market                                        | 4                 | 8            |
| Monetary and exchange rate changes                    | 119               | 247          |
| Borrowing cost                                        | 8                 | 9            |
| Interest paid                                         | (176)             | (452)        |
| Payments                                              | (928)             | (5,495)      |
| Swap paid                                             | (63)              | (25)         |
| Liabilities related to assets held for sale (note 31) | -                 | 388          |
| <b>At September 30, 2018</b>                          | <b>5,865</b>      | <b>6,597</b> |

|                                                       | Parent<br>Company | Consolidated |
|-------------------------------------------------------|-------------------|--------------|
| <b>At December 31, 2016</b>                           | 5,538             | 5,869        |
| Additions - working capital                           | 2,023             | 6,287        |
| Additions – finance lease                             | 12                | 21           |
| Accrued interest                                      | 279               | 594          |
| Accrued swap                                          | 92                | 139          |
| Mark-to-market                                        | 16                | 13           |
| Monetary and exchange rate changes                    | (12)              | (36)         |
| Borrowing cost                                        | 7                 | 7            |
| Interest paid                                         | (552)             | (926)        |
| Payment                                               | (2,932)           | (7,005)      |
| Swap paid                                             | (234)             | (346)        |
| Liabilities related to assets held for sale (note 31) | -                 | 91           |
| <b>At September 30, 2017</b>                          | <b>4,237</b>      | <b>4,708</b> |

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

| <u>Year</u>       | <b>Parent<br/>Company</b> | <b>Consolidated</b> |
|-------------------|---------------------------|---------------------|
| From 1 to 2 years | <b>2,299</b>              | <b>2,656</b>        |
| From 2 to 3 years | <b>1,534</b>              | <b>1,554</b>        |
| From 3 to 4 years | <b>510</b>                | <b>528</b>          |
| From 4 to 5 years | <b>6</b>                  | <b>20</b>           |
| After 5 years     | <b>28</b>                 | <b>58</b>           |
| Subtotal          | <b>4,377</b>              | <b>4,816</b>        |
| Borrowing costs   | <b>(4)</b>                | <b>(7)</b>          |
| Total             | <b>4,373</b>              | <b>4,809</b>        |

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

| Type                                                     | Issue Amount | Outstanding debentures (units) | Date     |          | Annual financial charges | Unit price (in reais) | Parent Company / Consolidated |            |
|----------------------------------------------------------|--------------|--------------------------------|----------|----------|--------------------------|-----------------------|-------------------------------|------------|
|                                                          |              |                                | Issue    | Maturity |                          |                       | 09.30.2018                    | 12.31.2018 |
| 12th Issue of Debentures – No preference CBD             | 900          | 900,000                        | 09/17/14 | 09/12/19 | 107.00% of CDI           | 502                   | <b>452</b>                    |            |
| 13th Issue of Debentures – No preference CBD and CRA     | 1,012        | 1,012,500                      | 12/20/16 | 12/20/19 | 97.50% of CDI            | 1,017                 | <b>1,030</b>                  | 1,030      |
| 14th Issue of Debentures – No preference CBD and CRA     | 1,080        | 1,080,000                      | 04/17/17 | 04/13/20 | 96.00% of CDI            | 1,029                 | <b>1,111</b>                  | 1,111      |
| 15th Issue of Debentures – No preference CBD             | 800          | 800,000                        | 01/17/18 | 01/15/21 | 104.75% of CDI           | 1,014                 | <b>811</b>                    |            |
| 16th Issue of Debentures – No preference CBD (1st serie) | 700          | 700,000                        | 09/11/18 | 09/10/21 | 106% do CDI              | 1,003                 | <b>702</b>                    |            |
| 16th Issue of Debentures – No preference CBD (2nd serie) | 500          | 500,000                        | 09/11/18 | 09/12/22 | 107,4% do CDI            | 1,003                 | <b>502</b>                    |            |
| Borrowing cost                                           |              |                                |          |          |                          |                       | <b>(12)</b>                   |            |
| <b>Parent Company/Consolidated</b>                       |              |                                |          |          |                          |                       | <b>4,596</b>                  | 3,596      |
| Current liabilities                                      |              |                                |          |          |                          |                       | <b>507</b>                    |            |
| Noncurrent liabilities                                   |              |                                |          |          |                          |                       | <b>4,089</b>                  | 2,089      |

## Companhia Brasileira de Distribuição

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### 16. Borrowings and financing – Continued

#### 16.5. Borrowings in foreign currencies

On September 30, 2018 GPA had loans in foreign currencies (dollar and euro) to strengthen its working capital, maintain its cash strategy, lengthening its debt profile and make investments, being the last due date in September, 2020.

#### 16.6. Guarantees

The Company has signed promissory notes for some loan contracts.

#### 16.7. Swap contracts

The Company and its Brazilian subsidiaries use swap transactions for 100% of its borrowings denominated in US dollars, euros and fixed interest rates, exchanging these obligations for Real linked to CDI (floating) interest rates. These contracts include amount of the debt with the objective to protect the interest and principal and are signed, generally, with the same due dates and in the same economic group. The weighted average annual rate of CDI in September 2018 was 6,65% (11.53% in September 30, 2017).

#### 16.8. Financial covenants

In connection with the debentures and a portion of borrowings denominated in foreign currencies, GPA is required to maintain certain debt financial covenants. These ratios are quarterly calculated based on consolidated financial statements of the Company prepared in accordance with accounting practices adopted in Brazil, as follows: (i) net debt (debt minus cash and cash equivalents and trade accounts receivable) should not exceed the amount of equity and (ii) consolidated net debt/EBITDA ratio should be lower than or equal to 3.25. At September 30, 2018, GPA was in compliance with these covenants.

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**17. Financial instruments**

The detailed information on financial instruments was presented in the annual financial statements for 2017, in note 18.

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

|                                                                 | <b>Parent Company</b>  |                   | <b>Consolidated</b>    |                   |
|-----------------------------------------------------------------|------------------------|-------------------|------------------------|-------------------|
|                                                                 | <b>Carrying amount</b> |                   | <b>Carrying amount</b> |                   |
|                                                                 | <b>09.30.2018</b>      | <b>12.31.2017</b> | <b>09.30.2018</b>      | <b>12.31.2017</b> |
|                                                                 |                        | <b>Restated</b>   |                        | <b>Restated</b>   |
| <b>Financial assets:</b>                                        |                        |                   |                        |                   |
| <u>Amortized cost</u>                                           |                        |                   |                        |                   |
| Related parties - assets                                        | <b>249</b>             | 206               | <b>33</b>              | 25                |
| Trade receivables and other receivables                         | <b>847</b>             | 872               | <b>1,090</b>           | 1,133             |
| <u>Fair value through profit or loss</u>                        |                        |                   |                        |                   |
| Cash and cash equivalents                                       | <b>2,001</b>           | 2,868             | <b>2,625</b>           | 3,792             |
| Financial instruments – Fair value hedge                        | <b>92</b>              | 12                | <b>188</b>             | 28                |
| <u>Fair value through other comprehensive income</u>            |                        |                   |                        |                   |
| Trade receivables with credit card companies and sales vouchers | <b>659</b>             | 336               | <b>824</b>             | 474               |
| <b>Financial liabilities:</b>                                   |                        |                   |                        |                   |
| <u>Other financial liabilities - amortized cost</u>             |                        |                   |                        |                   |
| Related parties -liabilities                                    | <b>(436)</b>           | (387)             | <b>(159)</b>           | (153)             |
| Trade payables                                                  | <b>(3,570)</b>         | (5,377)           | <b>(6,439)</b>         | (8,128)           |
| Financing for purchase of assets                                | <b>(35)</b>            | (95)              | <b>(50)</b>            | (116)             |
| Debentures                                                      | <b>(4,596)</b>         | (3,015)           | <b>(4,596)</b>         | (3,015)           |
| Borrowings and financing                                        | <b>(428)</b>           | (470)             | <b>(468)</b>           | (520)             |
| <u>Fair value through profit or loss</u>                        |                        |                   |                        |                   |
| Loans and financing                                             | <b>(933)</b>           | (552)             | <b>(1,716)</b>         | (989)             |
| Financial instruments – Fair Value Hedge                        | <b>-</b>               | (62)              | <b>(5)</b>             | (64)              |

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

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

(i) Capital risk management

The main objective of the Company's capital management is to ensure that the Company sustains its credit rating and a well-defined equity ratio, in order to support businesses and maximize shareholder value. The Company manages the capital structure and makes adjustments taking into account changes in the economic conditions.

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**17. Financial instruments - Continued**

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

There were no changes as to objectives, policies or processes during the period ended On September 30, 2018. The capital structure is presented as follows:

|                                          | <b>Parent Company</b> |                   | <b>Consolidated</b> |                   |
|------------------------------------------|-----------------------|-------------------|---------------------|-------------------|
|                                          | <b>09.30.2018</b>     | <b>12.31.2017</b> | <b>09.30.2018</b>   | <b>12.31.2017</b> |
|                                          |                       | <b>Restated</b>   |                     | <b>Restated</b>   |
| Cash and cash equivalents                | <b>2,001</b>          | 2,868             | <b>2,625</b>        | 3,792             |
| Financial instruments – Fair value hedge | <b>92</b>             | 12                | <b>188</b>          | 28                |
| Borrowings and financing                 | <b>(5,957)</b>        | (4,099)           | <b>(6,785)</b>      | (4,588)           |
| Other liabilities with related parties   | <b>(141)</b>          | (145)             | <b>(141)</b>        | (145)             |
| Net debt                                 | <b>(4,005)</b>        | (1,364)           | <b>(4,113)</b>      | (913)             |
| Shareholders' equity                     | (10,780)              | (10,188)          | (13,762)            | (13,041)          |
| Net debt to equity ratio                 | 37%                   | 13%               | 30%                 | 7%                |

(\*) Represents the trade payable to Greenyellow related purchase of equipment.

**(ii) Liquidity risk management**

The Company manages liquidity risk through the daily analysis of cash flows, control of maturities of financial assets and liabilities.

The table below summarizes the aging profile of the Company's financial liabilities as of September 30, 2018.

**a) Parent Company**

|                                  | <b>Up to 1 Year</b> | <b>1 – 5 years</b> | <b>More than 5 years</b> | <b>Total</b> |
|----------------------------------|---------------------|--------------------|--------------------------|--------------|
| Borrowings and financing         | <b>1,017</b>        | <b>229</b>         | <b>9</b>                 | <b>1,255</b> |
| Debentures and promissory note   | <b>776</b>          | <b>4,633</b>       | -                        | <b>5,409</b> |
| Derivative financial instruments | <b>(45)</b>         | <b>(36)</b>        | -                        | <b>(81)</b>  |
| Finance lease                    | <b>45</b>           | <b>117</b>         | <b>144</b>               | <b>306</b>   |
| Trade payables                   | <b>3,570</b>        | -                  | -                        | <b>3,570</b> |



|              |              |              |            |               |
|--------------|--------------|--------------|------------|---------------|
| <b>Total</b> | <b>5,363</b> | <b>4,943</b> | <b>153</b> | <b>10,459</b> |
|--------------|--------------|--------------|------------|---------------|

b) Consolidated

|                                  | <b>Up to 1 Year</b> | <b>1 – 5 years</b> | <b>More than 5<br/>years</b> | <b>Total</b>  |
|----------------------------------|---------------------|--------------------|------------------------------|---------------|
| Borrowings and financing         | <b>1,347</b>        | <b>729</b>         | <b>59</b>                    | <b>2,135</b>  |
| Debentures and promissory note   | <b>776</b>          | <b>4,633</b>       | <b>-</b>                     | <b>5,409</b>  |
| Derivative financial instruments | <b>(43)</b>         | <b>(98)</b>        | <b>-</b>                     | <b>(141)</b>  |
| Finance lease                    | <b>52</b>           | <b>126</b>         | <b>147</b>                   | <b>325</b>    |
| Trade payables                   | <b>6,439</b>        | <b>-</b>           | <b>-</b>                     | <b>6,439</b>  |
| <b>Total</b>                     | <b>8,571</b>        | <b>5,390</b>       | <b>206</b>                   | <b>14,167</b> |

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**17. Financial instruments – Continued**

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

(iii) Derivative financial instruments

|                              |                     | <b>Consolidated</b>   |                   |                   |                   |
|------------------------------|---------------------|-----------------------|-------------------|-------------------|-------------------|
|                              |                     | <b>Notional value</b> |                   | <b>Fair value</b> |                   |
|                              |                     | <b>09.30.2018</b>     | <b>12.31.2017</b> | <b>09.30.2018</b> | <b>12.31.2017</b> |
| Swap with hedge              |                     |                       |                   |                   |                   |
| Hedge object (debt)          |                     | <b>1,327</b>          | 1,039             | <b>1,716</b>      | 989               |
| <u>Long position (buy)</u>   |                     |                       |                   |                   |                   |
| Prefix rate                  | TR+ 9.80% per year  | <b>127</b>            | 127               | <b>116</b>        | 125               |
| US\$ + fixed                 | USD+ 3.33% per year | <b>980</b>            | 692               | <b>1,370</b>      | 663               |
| EUR + fixed                  | EUR+ 1.56 %per year | <b>220</b>            | 220               | <b>230</b>        | 200               |
|                              |                     | <b>1,327</b>          | 1,039             | <b>1,716</b>      | 988               |
| <u>Short position (sell)</u> |                     |                       |                   |                   |                   |
|                              | 103.13% of CDI      | <b>(1,327)</b>        | (1,039)           | <b>(1,533)</b>    | (1,024)           |
| Hedge position - asset       |                     | -                     | -                 | <b>188</b>        | 28                |
| Hedge position - liability   |                     | -                     | -                 | <b>(5)</b>        | (64)              |
| Net hedge position           |                     | -                     | -                 | <b>183</b>        | (36)              |

Realized and unrealized gains and losses on these contracts during the nine-month ended on September 30, 2018 are recorded in financial income (expenses), net and the balance receivable at fair value is R\$183 (balance payable of R\$36 as of December 31, 2017), recorded in line item “Financial Instruments – Fair Value Hedge” in the assets and “Borrowings and financing” in the liabilities.

The effects of the fair value hedge recorded in the Statement of Operations for the nine-month period ended September 30, 2018 were a gain of R\$193 (gain of R\$157 as of September 30, 2017).

17.2. Sensitivity analysis of financial instruments

According to the Management's assessment, the most probable scenario is what the market has been estimating through market curves (currency and interest rates) of B3, on the maturity dates of each transaction. Therefore, in the probable scenario (I), there is no impact on the fair value of financial instruments. For scenarios (II) and (III), for the sensitivity analysis effect, according to CVM rules, a deterioration of 25% and 50%, respectively, on risk variables, up to one year of the financial instruments.

For the probable scenario, weighted exchange rate was R\$4.24 on the due date, and the weighted interest rate weighted was 7.48% per year.

In case of derivative financial instruments (aiming at hedging the financial debt), changes in scenarios are accompanied by respective hedges, indicating effects are not significant, according to the following table.

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**17. Financial instruments – Continued****17.2. Sensitivity analysis of financial instruments – Continued**

The Company disclosed the net exposure of the derivatives financial instruments, corresponding to financial instruments and certain financial instruments in the sensitivity analysis table below, to each of the scenarios mentioned.

| Operations                              | Risk (CDI variation) | Balance at 09.30.2018 | Market projection |             |              |
|-----------------------------------------|----------------------|-----------------------|-------------------|-------------|--------------|
|                                         |                      |                       | Scenario I        | Scenario II | Scenario III |
| Fair value hedge of fixed rate          | 101.44% of CDI       | (100)                 | (200)             | (204)       | (207)        |
| Fair value hedge of exchange rate       | 103.24% of CDI       | (1,433)               | (1,635)           | (1,654)     | (1,674)      |
| Debentures                              | 106.06% of CDI       | (2,467)               | (2,677)           | (2,729)     | (2,782)      |
| Debentures (1st issue CRA)              | 97.50% of CDI        | (1,030)               | (1,118)           | (1,140)     | (1,162)      |
| Debentures (2nd issue CRA)              | 96.00% of CDI        | (1,111)               | (1,206)           | (1,230)     | (1,253)      |
| Bank loans                              | 105.40% of CDI       | (283)                 | (304)             | (309)       | (314)        |
| Leases                                  | 100.19% of CDI       | (46)                  | (50)              | (51)        | (52)         |
| Leases                                  | 100.00% of CDI       | (3)                   | (3)               | (3)         | (3)          |
| Leases                                  | 95.00% of CDI        | (59)                  | (64)              | (65)        | (67)         |
| Total borrowings and financing exposure |                      | (6,532)               | (7,257)           | (7,385)     | (7,514)      |
| Cash and cash equivalents (*)           | 94.54% of CDI        | 2,277                 | 2,440             | 2,481       | 2,522        |
| Net exposure                            |                      | (4,255)               | (4,817)           | (4,904)     | (4,992)      |
| Net effect - loss                       |                      |                       | (562)             | (649)       | (737)        |

(\*) Weighted average

### 17.3.Fair value measurements

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

The fair values of cash and cash equivalents, trade receivables and trade payables are equivalent to their carrying amounts.

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**17. Financial instruments – Continued****17.3. Fair value measurements - Continued**

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

|                                                                         | <b>Carrying amount<br/>09.30.2018</b> | <b>Fair value<br/>09.30.2018</b> | <b>Level</b> |
|-------------------------------------------------------------------------|---------------------------------------|----------------------------------|--------------|
| Financial assets and liabilities                                        |                                       |                                  |              |
| Trade receivables with credit card companies and sales vouchers (FVOCI) | <b>824</b>                            | <b>824</b>                       | <b>2</b>     |
| Swaps                                                                   | <b>183</b>                            | <b>183</b>                       | <b>2</b>     |
| Borrowings and financing (FVPL)                                         | <b>(1,716)</b>                        | <b>(1,716)</b>                   | <b>2</b>     |
| Borrowings and financing and debentures (amortized cost)                | <b>(5,064)</b>                        | <b>(4,979)</b>                   | <b>2</b>     |
| Total                                                                   | <b>(5,773)</b>                        | <b>(5,688)</b>                   |              |

There were no changes between the fair value measurements levels in the nine-months period ended September 30, 2018.

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

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**17. Financial instruments – Continued****17.4. Consolidated position of derivative transactions**

The consolidated position of outstanding derivative financial instruments are presented in the table below:

| Outstanding                                                            |                |                |                  |            | Amount payable or receivable |            | Fair value |            |
|------------------------------------------------------------------------|----------------|----------------|------------------|------------|------------------------------|------------|------------|------------|
| Description                                                            | Counterparties | Notional value | Contractual date | Maturity   | 09.30.2018                   | 12.31.2017 | 09.30.2018 | 12.31.2017 |
| <b>Exchange swaps registered with CETIP (US\$ x CDI)</b>               |                |                |                  |            |                              |            |            |            |
|                                                                        | Agricole       | EUR 50         | 10/07/2015       | 10/08/2018 | 10                           | (24)       | 7          | (20)       |
|                                                                        | Scotiabank     | US\$ 50        | 01/15/2016       | 01/16/2018 | -                            | (42)       | -          | (42)       |
|                                                                        | Scotiabank     | US\$ 50        | 09/29/2017       | 09/29/2020 | 43                           | 9          | 40         | 9          |
|                                                                        | Scotiabank     | US\$ 50        | 02/16/2018       | 12/21/2018 | 36                           | -          | 37         | -          |
|                                                                        | Bradesco       | US\$ 70        | 06/11/2018       | 12/27/2018 | 2                            | -          | 5          | -          |
|                                                                        | Banco Tokyo    | US\$ 100       | 12/12/2017       | 12/12/2019 | 65                           | (3)        | 60         | (2)        |
|                                                                        | Bradesco       | US\$ 70        | 06/18/2018       | 06/13/2019 | 13                           | -          | 18         | -          |
| <b>Interest rate swap registered with CETIP (pre-fixed rate x CDI)</b> |                |                |                  |            |                              |            |            |            |
|                                                                        | Itaú BBA       | R\$ 21         | 11/11/2014       | 11/05/2026 | 1                            | 1          | 3          | 3          |
|                                                                        | Itaú BBA       | R\$ 54         | 01/14/2015       | 01/05/2027 | 2                            | 3          | 6          | 8          |
|                                                                        | Itaú BBA       | R\$ 52         | 05/26/2015       | 05/05/2027 | 3                            | 2          | 7          | 8          |
|                                                                        |                |                |                  |            | 175                          | (54)       | 183        | (36)       |

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

The detailed information on taxes and contributions payable and taxes payable in installments was presented in the annual financial statements for 2017, in note 19.

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

|                                                  | <b>Parent Company</b> |                   | <b>Consolidated</b> |                   |
|--------------------------------------------------|-----------------------|-------------------|---------------------|-------------------|
|                                                  | <b>09.30.2018</b>     | <b>12.31.2017</b> | <b>09.30.2018</b>   | <b>12.31.2017</b> |
| Taxes payable in installments - Law 11,941/09    | <b>451</b>            | 511               | <b>451</b>          | 511               |
| Taxes payable in installments – <i>PERT</i>      | <b>170</b>            | 174               | <b>170</b>          | 176               |
| ICMS                                             | <b>47</b>             | 42                | <b>63</b>           | 65                |
| PIS and COFINS                                   | <b>8</b>              | 49                | <b>10</b>           | 52                |
| Provision for income tax and social contribution | <b>-</b>              | -                 | <b>52</b>           | 38                |
| Withholding Income Tax                           | <b>1</b>              | 12                | <b>1</b>            | 13                |
| INSS                                             | <b>2</b>              | 2                 | <b>3</b>            | 4                 |
| Other                                            | <b>21</b>             | 4                 | <b>31</b>           | 8                 |
|                                                  | <b>700</b>            | 794               | <b>781</b>          | 867               |
| Current                                          | <b>205</b>            | 228               | <b>286</b>          | 301               |
| Noncurrent                                       | <b>495</b>            | 566               | <b>495</b>          | 566               |

**18.2. Maturity schedule of taxes payable in installments in noncurrent liabilities:**

|                   | <b>Parent Company<br/>and Consolidated</b> |
|-------------------|--------------------------------------------|
| From 1 to 2 years | <b>127</b>                                 |
| From 2 to 3 years | <b>101</b>                                 |
| From 3 to 4 years | <b>83</b>                                  |
| From 4 to 5 years | <b>78</b>                                  |
| After 5 years     | <b>106</b>                                 |
|                   | <b>495</b>                                 |





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**19. Income tax and social contribution****19.1. Income tax and social contribution expense reconciliation**

The detailed information on income tax and social contribution was presented in the annual financial statements for 2017, in note 20.

|                                                                                                        | <b>Parent Company</b> |                   | <b>Consolidated</b> |                   |
|--------------------------------------------------------------------------------------------------------|-----------------------|-------------------|---------------------|-------------------|
|                                                                                                        | <b>09.30.2018</b>     | <b>09.30.2017</b> | <b>09.30.2018</b>   | <b>09.30.2017</b> |
|                                                                                                        |                       | <b>Restated</b>   |                     | <b>Restated</b>   |
| Incomet before income tax and social contribution                                                      | <b>733</b>            | 352               | <b>1,009</b>        | 427               |
| Income tax and social contribution at the nominal rate of 25% for the Company and 34% for subsidiaries | <b>(183)</b>          | (89)              | <b>(348)</b>        | (158)             |
| Tax penalties non - deductible                                                                         | <b>(14)</b>           | (15)              | <b>(16)</b>         | (16)              |
| Share of profit of associates                                                                          | <b>175</b>            | 88                | <b>(8)</b>          | (8)               |
| Interest on own capital (*)                                                                            | <b>70</b>             | -                 | <b>70</b>           | -                 |
| Tax credits                                                                                            | <b>12</b>             | -                 | <b>12</b>           | -                 |
| Other permanent differences (nondeductible)                                                            | <b>4</b>              | (3)               | <b>7</b>            | 2                 |
| Effective income tax and social contribution                                                           | <b>64</b>             | (19)              | <b>(283)</b>        | (180)             |
| Income tax and social contribution for the period:                                                     |                       |                   |                     |                   |
| Current                                                                                                | <b>(6)</b>            | (15)              | <b>(224)</b>        | (125)             |
| Deferred                                                                                               | <b>70</b>             | (4)               | <b>(59)</b>         | (55)              |
| Deferred income tax and social contribution expense                                                    | <b>64</b>             | (19)              | <b>(283)</b>        | (180)             |
| Effective rate                                                                                         | -8.73%                | 5.40%             | 28.05%              | 42.15%            |

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

(\*) Effect of income tax on interest on own capital paid.

The nine-month period ended September 30, 2018 income tax expense is calculated in accordance with IAS 34 / CPC 21 (R1). This rule requests the companies recognize the income tax expense in its interim statements with the same base used in the complete annual financial statement.

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**19. Income tax and social contribution - Continued****19.2. Breakdown of deferred income tax and social contribution**

|                                                                        | <b>Parent Company</b> |                  |              |                   |                  |            |
|------------------------------------------------------------------------|-----------------------|------------------|--------------|-------------------|------------------|------------|
|                                                                        | <b>09.30.2018</b>     |                  |              | <b>12.31.2017</b> |                  |            |
|                                                                        | <b>Asset</b>          | <b>Liability</b> | <b>Net</b>   | <b>Asset</b>      | <b>Liability</b> | <b>Net</b> |
|                                                                        |                       |                  |              | <b>Restated</b>   |                  |            |
| Tax losses and negative basis of social contribution                   | <b>282</b>            | -                | <b>282</b>   | 178               | -                | 178        |
| Provision for contingencies                                            | <b>218</b>            | -                | <b>218</b>   | 204               | -                | 204        |
| Goodwill tax amortization                                              | -                     | <b>(56)</b>      | <b>(56)</b>  | -                 | (54)             | (54)       |
| Mark-to-market adjustment                                              | -                     | <b>2</b>         | <b>2</b>     | -                 | (1)              | (1)        |
| Technological innovation – future realization                          | -                     | <b>(11)</b>      | <b>(11)</b>  | -                 | (13)             | (13)       |
| Depreciation of fixed assets as per tax rates                          | -                     | <b>(117)</b>     | <b>(117)</b> | -                 | (111)            | (111)      |
| Unrealized gains with tax credits                                      | -                     | <b>(188)</b>     | <b>(188)</b> | -                 | (185)            | (185)      |
| Other                                                                  | <b>57</b>             | <b>(7)</b>       | <b>50</b>    | 95                | (1)              | 94         |
| Deferred income tax and social contribution assets (liabilities) gross | <b>557</b>            | <b>(377)</b>     | <b>180</b>   | 477               | (365)            | 112        |
| Compensation                                                           | <b>(377)</b>          | <b>377</b>       | -            | (365)             | 365              | -          |
| Deferred income tax and social contribution assets (liabilities), net  | <b>180</b>            | -                | <b>180</b>   | 112               | -                | 112        |

|                                                      | <b>Consolidated</b> |                  |              |                   |                  |            |
|------------------------------------------------------|---------------------|------------------|--------------|-------------------|------------------|------------|
|                                                      | <b>09.30.2018</b>   |                  |              | <b>12.31.2017</b> |                  |            |
|                                                      | <b>Asset</b>        | <b>Liability</b> | <b>Net</b>   | <b>Asset</b>      | <b>Liability</b> | <b>Net</b> |
|                                                      |                     |                  |              | <b>Restated</b>   |                  |            |
| Tax losses and negative basis of social contribution | <b>305</b>          | -                | <b>305</b>   | 200               | -                | 200        |
| Provision for contingencies                          | <b>304</b>          | -                | <b>304</b>   | 289               | -                | 289        |
| Goodwill tax amortization                            | -                   | <b>(598)</b>     | <b>(598)</b> | -                 | (585)            | (585)      |
| Mark-to-market adjustment                            | -                   | <b>(3)</b>       | <b>(3)</b>   | -                 | (7)              | (7)        |
| Technological innovation – future realization        | -                   | <b>(11)</b>      | <b>(11)</b>  | -                 | (13)             | (13)       |
| Depreciation of fixed assets as per tax rates        | -                   | <b>(117)</b>     | <b>(117)</b> | -                 | (112)            | (112)      |

|                                                                        |       |         |       |       |       |       |
|------------------------------------------------------------------------|-------|---------|-------|-------|-------|-------|
| Unrealized gains with tax credits                                      | -     | (313)   | (313) | -     | (185) | (185) |
| Other                                                                  | 115   | (12)    | 103   | 149   | (5)   | 144   |
| Deferred income tax and social contribution assets (liabilities) gross | 724   | (1,054) | (330) | 638   | (907) | (269) |
| Compensation                                                           | (517) | 517     | -     | (513) | 513   | -     |
| Deferred income tax and social contribution assets (liabilities), net  | 207   | (537)   | (330) | 125   | (394) | (269) |

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**Companhia Brasileira de Distribuição**

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**19. Income tax and social contribution – Continued****19.2. Breakdown of deferred income tax and social contribution – Continued**

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

|                   | <b>Parent<br/>Company</b> | <b>Consolidated</b> |
|-------------------|---------------------------|---------------------|
| Up to one year    | <b>151</b>                | <b>203</b>          |
| From 1 to 2 years | <b>128</b>                | <b>171</b>          |
| From 2 to 3 years | <b>152</b>                | <b>188</b>          |
| From 3 to 4 years | <b>120</b>                | <b>156</b>          |
| From 4 to 5 years | <b>6</b>                  | <b>6</b>            |
|                   | <b>557</b>                | <b>724</b>          |

**19.3.Changes in deferred income tax and social contribution**

|                                                                | <b>Parent Company</b> |                                | <b>Consolidated</b> |                                |
|----------------------------------------------------------------|-----------------------|--------------------------------|---------------------|--------------------------------|
|                                                                | <b>09.30.2018</b>     | <b>09.30.2017<br/>Restated</b> | <b>09.30.2018</b>   | <b>09.30.2017<br/>Restated</b> |
| <b>At the beginning of the period</b>                          | <b>108</b>            | 155                            | <b>(273)</b>        | (147)                          |
| Adjustment related to IFRS 9                                   | 4                     | 3                              | 4                   | 3                              |
| <b>Restated opening balance</b>                                | <b>112</b>            | 158                            | <b>(269)</b>        | (144)                          |
| Expense for the period – continued operations                  | <b>70</b>             | (4)                            | <b>(59)</b>         | (55)                           |
| Expense for the period – discontinued operations               | -                     | -                              | <b>(64)</b>         | 111                            |
| Income Tax related to OCI - continued operations               | <b>(2)</b>            | 6                              | <b>(1)</b>          | 7                              |
| Income Tax related to OCI - discontinued operations            | -                     | -                              | <b>1</b>            | 1                              |
| Special program on tax settlements - PERT                      | -                     | -                              | <b>(2)</b>          | (89)                           |
| Assets held for sale and discontinued operations (see note 31) | -                     | -                              | <b>64</b>           | (23)                           |
| <b>At the end of the period</b>                                | <b>180</b>            | 160                            | <b>(330)</b>        | (192)                          |

**Companhia Brasileira de Distribuição**

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**20. Provision for contingencies**

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

**20.****20.1. Parent Company**

|                                          | <b>PIS/COFINS</b> | <b>Taxes and<br/>other</b> | <b>Social<br/>security<br/>and labor</b> | <b>Civil</b> | <b>Regulatory</b> | <b>Total</b> |
|------------------------------------------|-------------------|----------------------------|------------------------------------------|--------------|-------------------|--------------|
| <b>Balance at December 31,<br/>2017</b>  | 73                | 363                        | 274                                      | 81           | 21                | 812          |
| Additions                                | <b>48</b>         | <b>107</b>                 | <b>69</b>                                | <b>40</b>    | <b>21</b>         | <b>285</b>   |
| Payments                                 | -                 | (2)                        | (48)                                     | (13)         | (15)              | (78)         |
| Reversals                                | -                 | (18)                       | (67)                                     | (53)         | (17)              | (155)        |
| Monetary adjustment                      | 3                 | 7                          | 27                                       | 10           | 3                 | 50           |
| <b>Balance at September 30,<br/>2018</b> | <b>124</b>        | <b>457</b>                 | <b>255</b>                               | <b>65</b>    | <b>13</b>         | <b>914</b>   |

|                                          | <b>PIS/COFINS</b> | <b>Taxes and<br/>other</b> | <b>Social<br/>security<br/>and labor</b> | <b>Civil</b> | <b>Regulatory</b> | <b>Total</b> |
|------------------------------------------|-------------------|----------------------------|------------------------------------------|--------------|-------------------|--------------|
| <b>Balance at December 31,<br/>2016</b>  | 109               | 428                        | 254                                      | 80           | 20                | 891          |
| Additions                                | 31                | 23                         | 112                                      | 25           | 14                | 205          |
| Payments                                 | -                 | (2)                        | (29)                                     | (11)         | (7)               | (49)         |
| Reversals                                | (50)              | (54)                       | (49)                                     | (27)         | (10)              | (190)        |
| Monetary adjustment                      | (17)              | 6                          | 25                                       | 9            | 3                 | 26           |
| Transfer to installments taxes           | -                 | (89)                       | -                                        | -            | -                 | (89)         |
| <b>Balance at September 30,<br/>2017</b> | <b>73</b>         | <b>312</b>                 | <b>313</b>                               | <b>76</b>    | <b>20</b>         | <b>794</b>   |

**20.2. Consolidated**

|                                                                                       | PIS/COFINS | Taxes and other | Social security and labor | Civil      | Regulatory | Total        |
|---------------------------------------------------------------------------------------|------------|-----------------|---------------------------|------------|------------|--------------|
| <b>Balance at December 31, 2017</b>                                                   | 74         | 563             | 331                       | 105        | 34         | 1,107        |
| Additions                                                                             | <b>83</b>  | <b>121</b>      | <b>707</b>                | <b>254</b> | <b>34</b>  | <b>1,199</b> |
| Payments                                                                              | -          | (2)             | (595)                     | (141)      | (18)       | (756)        |
| Reversals                                                                             | -          | (73)            | (507)                     | (191)      | (24)       | (795)        |
| Monetary adjustment                                                                   | 6          | 2               | 89                        | 26         | 4          | 127          |
| Liabilities related to assets held for sale and discontinued operations (see Note 31) | (38)       | (3)             | 290                       | 39         | (4)        | 284          |
| <b>Balance at September 30, 2018</b>                                                  | <b>125</b> | <b>608</b>      | <b>315</b>                | <b>92</b>  | <b>26</b>  | <b>1,166</b> |

|                                                                                       | PIS/COFINS | Taxes and other | Social security and labor | Civil      | Regulatory | Total        |
|---------------------------------------------------------------------------------------|------------|-----------------|---------------------------|------------|------------|--------------|
| <b>Balance at December 31, 2016</b>                                                   | 148        | 586             | 302                       | 109        | 32         | 1,177        |
| Additions                                                                             | 153        | 28              | 482                       | 92         | 31         | 786          |
| Payments                                                                              | -          | (35)            | (171)                     | (35)       | (11)       | (252)        |
| Reversals                                                                             | (104)      | (93)            | (98)                      | (67)       | (21)       | (383)        |
| Monetary adjustment                                                                   | (28)       | 23              | 88                        | 14         | 4          | 101          |
| Transfer to installments taxes                                                        | (32)       | (89)            | -                         | -          | -          | (121)        |
| Liabilities related to assets held for sale and discontinued operations (see Note 31) | (64)       | 41              | (234)                     | (12)       | (1)        | (270)        |
| <b>Balance at September 30, 2017</b>                                                  | <b>73</b>  | <b>461</b>      | <b>369</b>                | <b>101</b> | <b>34</b>  | <b>1,038</b> |



## Companhia Brasileira de Distribuição

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### 20. Provision for contingencies - Continued

#### 20.3.Tax

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

The main provisioned tax claims are as follows:

##### 20.3.1. PIS and COFINS

Since the adoption of the noncumulative regime to calculate PIS and COFINS, Company and its subsidiaries have challenged the right to deduct ICMS from the calculation basis for both contributions. On March 15, 2017, STF ruled that ICMS should be excluded from the calculation basis of PIS/Cofins, in accordance to the thesis pleaded by the Company.

Since the decision of the STF on March 15, 2017, the procedural steps were within the anticipated by our legal advisors without any change in the management's judgment regarding the reversal of the provision for lawsuits on this previously registered subject, however without there being a final decision expected on the subject, related to the judgment of the appeal filed by the prosecution. The Company and its external legal counsel estimate that the decision related to the application of the effects will not limit the right of the judicial claim proposed by the Company, nevertheless, the elements of the process still pending of decision do not allow the recognition of the asset related to the credits to be measured since the Company started the claim in 2003. According to the preliminary evaluation, based on the available information on December 31, 2017, the Company estimates the potential of its tax credits for the retail activity to be between R\$1,300 to R\$1,650.

Still in relation to the theme, as disclosed in Via Varejo's financial statements of September 30, 2018, the tax credits for this subsidiary, classified as discontinued operations, were estimated approximately R\$1,344, begin R\$894 of discontinued operations and R\$450 of continued operations is attributed to the Company due to an agreement between shareholders and the Company.

Regarding the remainder accrued amount for other discussions related to PIS and COFINS includes challenging of tax offset and other small amounts, as of September 30, 2018 represent R\$273, being R\$125 of continued operations and R\$148 of discontinued operations (R\$184 as of December 31, 2017, being R\$74 of continued operation and R\$110 of discontinued operations).



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### 20. Provision for contingencies – Continued

#### 20.3.Tax – Continued

##### 20.3.2. Tax claims

After entering in the special program on tax settlements, the Company analyzed the other tax claims, together with its external legal counsel, and determined them to be as probable losses and accrued by the Company. These refer to: (i) challenge on the non-application of the Accident Prevention Factor - FAP for 2011; (ii) challenge on the State Finance Department on the ICMS tax rate calculated on electric energy bills; (iii) other minor issues. The amount accrued for these matters as of September 30, 2018 is R\$210 of continued operation (R\$184 as of December 31, 2017, being R\$183 of continued (operation and R\$1 of discontinued operations).

#### ICMS

The Federal Supreme Court ("STF") on October 16, 2014 decided that ICMS taxpayers that trade products included in the "basket of food staples" have no right to fully utilize the ICMS credits. The Company, with the assistance of its legal counsel, decided to record a provision for this matter amounting to R\$108 as of September 30, 2018 (R\$142 as of December 31, 2017) since this claim was considered a "probable" loss. The amounts accrued represent Management's best estimate of the probable cash disbursement to settle this claim.

Additionally, there are cases assessed by São Paulo State tax authorities related to the refund of ICMS over tax substitution without proper compliance with accessory tax obligations introduced by CAT Administrative Rule 17. Considering recent court decisions the Company accrued R\$206 (R\$167 in December 31, 2017) representing the best estimation of probable loss evaluated by management based on documentation evidence aspect of the claims.

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

The Company claims in court the eligibility to not pay the contributions provided for by Supplementary Law 110/01, referring to the FGTS (Government Severance Indemnity Fund for Employees) costs. The accrued amount as of September 30, 2018 is R\$85 being R\$84 of continued operation and R\$1 of discontinued operations (R\$72 of continued operation as of December 31, 2017 being R\$71 of continued operation and R\$1 of discontinued operations).

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

Provisions for contingent tax liabilities were recorded as a result of the business combination with Via Varejo, as required by CPC 15 (IFRS 3). As of September 30, 2018, the recorded amount is R\$92 (R\$90 as of December 31, 2017). These accrued claims refer to administrative proceedings related to the offset of tax debts against credits from the contribution levied on coffee exports.

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### 20. Provision for contingencies – Continued

#### 20.4.Labor

The Company and its subsidiaries are parties to various labor lawsuits mainly due to termination of employees in the ordinary course of business. At September 30, 2018, the Company recorded a provision of R\$979, being R\$315 for continued operations and R\$664 for discontinued operations (R\$1,284 as of December 31, 2017, being R\$331 for continued operations and R\$953 for discontinued operations). Management, with the assistance of its legal counsel, assessed these claims and recorded a provision for losses when reasonably estimable, based on past experiences in relation to the amounts claimed.

#### 20.5.Civil and others

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

Among these lawsuits, we point out the following:

- The Company and its subsidiaries are parties to various lawsuits requesting the renewal of rental agreements and the review of the current rent paid. The Company recognizes a provision for the difference between the amount originally paid and the amounts claimed by the adverse party in the lawsuit, when internal and external legal counsel consider that it is probable that the rent amount will be changed by the Company. As of September 30, 2018, the amount accrued for these lawsuits is R\$107, being R\$58 for continued operations and R\$49 for discontinued operations (R\$125 as of December 31, 2017, being R\$61 for continued operations and R\$64 for discontinued operations), for which there are no escrow deposits.
- The Company and its subsidiaries answer to legal claims related to penalties applied by regulatory agencies, from the federal, state and municipal administrations, among which includes Consumer Protection Agencies (Procon), National Institute of Metrology, Standardization and Industrial Quality (INMETRO) and Municipalities and some lawsuits involving contract terminations with suppliers. Company supported by its legal counsel, assessed these claims, and recorded a provision according to probable cash expending and estimative of loss .On September 30, 2018 the amount of this provision is R\$40, being R\$26 for continued operations and R\$14 for discontinued operations (R\$43 on December 31, 2017, being R\$34 for continued operations and R\$9 for discontinued operations).

- As of September 30, 2018, the amount accrued related to other civil matters is R\$113, being R\$34 for continued operation and R\$79 for discontinued operations (R\$146 as of December 31, 2017, being R\$ 44 for continued operation R\$102 for discontinued operations).

Total civil lawsuits and others as of September 30, 2018 amount to R\$260 being R\$118 for continued operations and R\$142 for discontinued operations (R\$314 as of December 31, 2017, being R\$139 for continued operations and R\$175 for discontinued operations).

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### 20. Provision for contingencies – Continued

#### 20.6. Other non-accrued contingent liabilities

The Company has other litigations which have been analyzed by the legal counsel and considered as possible loss and, therefore, have not been accrued. The possible litigations updated balance from shareholders is of R\$11,968, being R\$10,335 for continued operations and R1,633 for discontinued operations as of September 30, 2018 (R\$11,778 as of December 31, 2017, being R\$10,159 for continued operations and R\$1,619 for discontinued operations), and are mainly related to:

- INSS (Social Security Contribution) – GPA was assessed for non-levy of payroll charges on benefits granted to its employees, among other matters, for which possible loss amounts to R\$500, being R\$468 for continued operations and R\$32 for discontinued operations as of September 30, 2018 (R\$474 as of December 31, 2017, being R\$443 for continued operations and R\$31 for discontinued operations). The lawsuits are under administrative and court discussions.
- IRPJ, withholding income tax - IRRF, CSLL, tax on financial transactions - IOF, withholding income tax on net income – GPA has several assessment notices regarding offsetting proceedings, rules on the deductibility of provisions, payment divergences and overpayments; fine for failure to comply with accessory obligations, among other less significant taxes. Among those claims, there are one tax assessment related to the tax deduction of goodwill in the years of 2012 and 2013, originated by the acquisition of Ponto Frio (goodwill Mandala) accrued in the year of 2009. The restated amount of the assessment notice correspond to R\$88 of income tax and social contribution (R\$85 at December 31, 2017). The lawsuits await administrative and court ruling. The amount involved is R\$978, being R\$825 for continued operations and R\$153 for discontinued operations as of September 30, 2018 (R\$964 as of December 31, 2017, being R\$826 for continued operations and R\$138 for discontinued operations).
- COFINS, PIS and IPI – the Company has been challenged about offsets of IPI credits acquired from third parties with a final and an appeal over the decision, fine for failure to comply with accessory obligations, disallowance of COFINS and PIS credits on one-phase products (“produtos monofásicos”), among others less significant taxes. These lawsuits await decision at the administrative and court levels. The amount involved in these assessments is R\$2,376, being R\$1,935 for continued operations and R\$441 for discontinued operations as September 30, 2018 (R\$2,124 as of December 31, 2017, being R\$1,705 for

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continued operations and R\$419 for discontinued operations).



## Companhia Brasileira de Distribuição

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### 20. Provision for contingencies – Continued

#### 20.6. Other non-accrued contingent liabilities – Continued

- ICMS – GPA received tax assessment notices by the State tax authorities regarding: (i) utilization of electric energy credits; (ii) purchases from suppliers considered not qualified in the State Finance Department registry; (iii) levied on its own operation of merchandise purchase (own ICMS)) – article 271 of ICMS by-law; (iv) resulting from sale of extended warranty, (v) resulting from financed sales; and (vi) among other matters. The total amount of these assessments is R\$7,186, being R\$6,428 for continued operations and R\$758 for discontinued operations as of September 30, 2018 (R\$7,246 as of December 31, 2017, being R\$6,493 for continued operations and R\$753 for discontinued operations), which await a final decision at the administrative and court levels. With the amendment of the ICMS Regulation of the State of São Paulo, the Company filed a request for a debt review, in the face of the fines when there were changes in the criterion, which was accepted by SEFAZ, resulting in a reduction of R\$431 through payment of R\$5, which occurred in April and May 2018.
- Municipal service tax - ISS, Municipal Real Estate Tax ("IPTU"), Fees, and others – these refer to assessments on withholdings of third parties, IPTU payment divergences, fines for failure to comply with accessory obligations, ISS – reimbursement of advertising expenses and sundry taxes, in the amount of R\$278 being R\$142 for continued operations and R\$136 for discontinued operations as September 30, 2018 (R\$281 as of December 31, 2017, being R\$150 for continued operations and R\$131 for discontinued operations), which await decision at the administrative and court levels.
- Other litigations – these refer to administrative proceedings and lawsuits in which the Company claims the renewal of rental agreements and setting of rents according to market values and actions in the civil court, special civil court, Consumer Protection Agency - PROCON (in many States), Institute of Weights and Measure - IPEM, National Institute of Metrology, Standardization and Industrial Quality - INMETRO and National Health Surveillance Agency - ANVISA, among others, amounting to R\$650, being R\$537 for continued operations and R\$113 for discontinued operations as September 30, 2018 (R\$689 as of December 31, 2017, being R\$542 for continued operations and R\$147 discontinued operations).

The Company has litigations related to challenges by tax authorities on the income tax payment, for which, based on management and legal assessment, the Company has the right of indemnization from its former

and current shareholders, related to years from 2007 to 2013, under allegation that had improper deduction of goodwill amortizations. These assessments amount R\$1,260 on September 30, 2018 (R\$1,223 on December 31, 2017).

The Company engages external attorneys to represent it in the tax assessments, whose fees are contingent upon a percentage to be applied to the amount of success in the final outcome of these lawsuits. This percentage may vary according to qualitative and quantitative factors of each claim, and as of September 30, 2018 the estimated amount, in case of success in all lawsuits, is approximately R\$183, being R\$162 for continued operations and R\$21 for discontinued operations (R\$201 as of December 31, 2017, being R\$182 for continued operations and R\$19 for discontinued operations).

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**20. Provision for contingencies – Continued****20.7. Restrict deposits for legal proceedings**

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

|                 | <b>Parent Company</b> |                   | <b>Consolidated</b> |                   |
|-----------------|-----------------------|-------------------|---------------------|-------------------|
|                 | <b>09.30.2018</b>     | <b>12.31.2017</b> | <b>09.30.2018</b>   | <b>12.31.2017</b> |
| Tax             | <b>163</b>            | 138               | <b>230</b>          | 204               |
| Labor           | <b>442</b>            | 423               | <b>493</b>          | 474               |
| Civil and other | <b>25</b>             | 33                | <b>34</b>           | 42                |
| Regulatory      | <b>15</b>             | 15                | <b>42</b>           | 42                |
| Total           | <b>645</b>            | 609               | <b>799</b>          | 762               |

**20.8. Guarantees**

|                 | <b>Property and equipment</b> |                   | <b>Letter of Guarantee</b> |                   | <b>Total</b>      |                   |
|-----------------|-------------------------------|-------------------|----------------------------|-------------------|-------------------|-------------------|
|                 | <b>09.30.2018</b>             | <b>12.31.2017</b> | <b>09.30.2018</b>          | <b>12.31.2017</b> | <b>09.30.2018</b> | <b>12.31.2017</b> |
| Lawsuits        |                               |                   |                            |                   |                   |                   |
| Tax             | <b>836</b>                    | 858               | <b>7,947</b>               | 7,324             | <b>8,783</b>      | 8,182             |
| Labor           | <b>3</b>                      | 3                 | <b>145</b>                 | 91                | <b>148</b>        | 94                |
| Civil and other | <b>9</b>                      | -                 | <b>228</b>                 | 125               | <b>237</b>        | 125               |
| Regulatory      | <b>3</b>                      | 6                 | <b>155</b>                 | 154               | <b>158</b>        | 160               |
| Total           | <b>851</b>                    | 867               | <b>8,475</b>               | 7,694             | <b>9,326</b>      | 8,561             |

The cost of letter of guarantees is approximately 0.72% per year of the amount of the lawsuits and is recorded as expense.

**20.9. Cnova N.V. litigation**

Our subsidiary Cnova N.V., a Dutch public limited company, certain of its current and former officers and directors, and the underwriters of Cnova's initial public offering, or IPO, were named as defendants in a securities class action lawsuit in the United States Federal District Court for the Southern District of New York, related to the assumption of internal investigation, concluded on July 22, 2016, conducted by Cnova N.V., Cnova Brasil e its advisors. In October 11, 2017 the Court for the Southern District of New York approved preliminarily an agreement with the plaintiffs' shareholders.

Subject to the settlement agreement's terms, a fund of \$28.5 million will become available by Cnova N.V. for distribution amongst the former Cnova shareholders as well as to the plaintiffs' lawyers. A portion of this amount will be used to cover the settlement fund's administrative costs. In addition, subject to the terms of the settlement, all defendants are acquitted of all liability emanating from the allegations made in the class action suit. Following the March 15, 2018 hearing, the court entered on March 19, 2018 the final order giving the definitive approval to the settlement, closing the judicial proceedings with the United States District Court for the Southern District of New York and releasing defendants of the claims alleged against them accordingly. In the coming period, notices will be sent by the plaintiffs' lawyer with more information concerning the settlement. The vast majority of this settlement amount was funded by Cnova N.V. insurers. The remainder as well as all expected related costs were covered by Cnova's provision recorded in 2016 representing insurance deductible and total legal costs. Accordingly, the settlement has no material impact on Cnova N.V. net results.

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### 20. Provision for contingencies – Continued

#### 20.9. Cnova N.V. litigation - Continued

In a separate potential action the SEC might eventually take, sanctions might be imposed on the Cnova N.V. as a result of the analysis of facts from the internal review concluded at the end of the first half of 2016 by the Company and the advisors retained by the Board of Directors.

### 21. Leasing transactions

#### 21.1. Operating lease

##### (i) Minimum rental payment on termination of lease agreements

The Company analyzed and concluded that the rental agreements are cancelable over their term. In case of termination, minimum payments will be due as a termination fee, which can vary from 1 to 12 months of rental through the end of the agreements, as demonstrated in the table below:

|                                          | <b>Parent Company</b> |                   | <b>Consolidated</b> |                   |
|------------------------------------------|-----------------------|-------------------|---------------------|-------------------|
|                                          | <b>09.30.2018</b>     | <b>09.30.2017</b> | <b>09.30.2018</b>   | <b>09.30.2017</b> |
| Minimum rental payments                  |                       |                   |                     |                   |
| Minimum payments on the termination date | <b>353</b>            | 353               | <b>392</b>          | 387               |
|                                          | <b>353</b>            | 353               | <b>392</b>          | 387               |

##### (ii) Contingent payments

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

|  | <b>Parent Company</b> |                   | <b>Consolidated</b> |                   |
|--|-----------------------|-------------------|---------------------|-------------------|
|  | <b>09.30.2018</b>     | <b>09.30.2017</b> | <b>09.30.2018</b>   | <b>09.30.2017</b> |

**Expenses (income) for the period:**

|                         |              |       |              |       |
|-------------------------|--------------|-------|--------------|-------|
| Contingent payments     | <b>312</b>   | 281   | <b>336</b>   | 291   |
| Non contingent payments | <b>210</b>   | 241   | <b>341</b>   | 377   |
| Sublease rentals (*)    | <b>(128)</b> | (118) | <b>(134)</b> | (124) |

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

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### 21. Leasing transactions - Continued

#### 21.2. Finance lease

Finance lease agreements amounted to R\$149 as of September 30, 2018 (R\$195 on December 31, 2017), as shown in the table below:

|                                                     | <b>Parent Company</b> |                   | <b>Consolidated</b> |                   |
|-----------------------------------------------------|-----------------------|-------------------|---------------------|-------------------|
|                                                     | <b>09.30.2018</b>     | <b>12.31.2017</b> | <b>09.30.2018</b>   | <b>12.31.2017</b> |
| Financial lease liability –minimum rental payments: |                       |                   |                     |                   |
| Up to 1 year                                        | <b>33</b>             | 46                | <b>37</b>           | 51                |
| 1 - 5 years                                         | <b>84</b>             | 110               | <b>87</b>           | 117               |
| Over 5 years                                        | <b>23</b>             | 25                | <b>25</b>           | 27                |
| Present value of finance lease agreements           | <b>140</b>            | 181               | <b>149</b>          | 195               |
| Future financing charges                            | <b>166</b>            | 175               | <b>176</b>          | 185               |
| Gross amount of finance lease agreements            | <b>306</b>            | 356               | <b>325</b>          | 380               |

### 22. Deferred revenue

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

The detailed information on Deferred revenue was presented in the annual financial statements for 2017, in note 23.

|                                   | <b>Parent Company</b> |                   | <b>Consolidated</b> |                   |
|-----------------------------------|-----------------------|-------------------|---------------------|-------------------|
|                                   | <b>09.30.2018</b>     | <b>12.31.2017</b> | <b>09.30.2018</b>   | <b>12.31.2017</b> |
| Back lights                       | -                     | -                 | <b>42</b>           | 104               |
| Additional or extended warranties | <b>21</b>             | 27                | <b>21</b>           | 27                |
| Barter agreement                  | -                     | -                 | -                   | 14                |

|                                        |           |    |           |     |
|----------------------------------------|-----------|----|-----------|-----|
| Services rendering agreement - Allpark | <b>11</b> | 13 | <b>11</b> | 13  |
| Lease income                           | <b>6</b>  | -  | <b>6</b>  | -   |
| Others                                 | <b>8</b>  | 10 | <b>8</b>  | 10  |
|                                        | <b>46</b> | 50 | <b>88</b> | 168 |
| Current                                | <b>34</b> | 28 | <b>76</b> | 146 |
| Noncurrent                             | <b>12</b> | 22 | <b>12</b> | 22  |



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**23. Shareholders' equity**

The detailed information on shareholders' equity was presented in the annual financial statements for 2017, in note 24.

**23.1. Capital stock**

The subscribed and paid-up capital as of September 30, 2018 is represented by 266,799 (266,579 on December 31, 2017) in thousands of registered shares with no par value, of which 99,680 in thousands of common shares (99,680 on December 31, 2017) and 167,119 in thousands of preferred shares (166,899 on December 31, 2017).

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

At the Board of Directors' Meetings held on February 19, 2018, April 26, 2018 and July 24, 2018 was approved capital increases amounting to R\$2 (R\$11 on December 31, 2017) through the issuance of 220 thousands preferred shares (487 thousands of preferred shares on December 31, 2017). On September 30, 2018, the capital stock is R\$6,824 (R\$ 6,822 on December 31, 2017).

**23.2. Stock option plan for preferred shares**

The fair value of each option granted is estimated at the grant date using the option pricing model Black & Scholes, taking into account the following assumptions for the B5 and C5 series: (a) dividend expectation of 0.41%, (b) volatility expectation of nearly 36.52% and (c) the weighted average interest rate of 9.29%.

| Series granted                | Grant date | 1st date of exercise | Expiration date | Exercise price    |                 | Number of shares granted (in thousands) | Lot of shares |                            | Total in effect |
|-------------------------------|------------|----------------------|-----------------|-------------------|-----------------|-----------------------------------------|---------------|----------------------------|-----------------|
|                               |            |                      |                 | At the grant date | End of the year |                                         | Exercised     | Not exercised by dismissal |                 |
| Balance at September 30, 2018 |            |                      |                 |                   |                 |                                         |               |                            |                 |
| Série B2                      | 05/29/2015 | 06/01/2018           | 11/30/2018      | 0.01              | 0.01            | 337                                     | (257)         | (38)                       | 42              |

|             |            |            |            |       |       |              |                |              |              |
|-------------|------------|------------|------------|-------|-------|--------------|----------------|--------------|--------------|
| Série C2    | 05/29/2015 | 06/01/2018 | 11/30/2018 | 77.27 | 77.27 | <b>337</b>   | -              | <b>(84)</b>  | <b>253</b>   |
| Série B3    | 05/30/2016 | 05/30/2019 | 11/30/2019 | 0.01  | 0.01  | <b>823</b>   | <b>(266)</b>   | <b>(57)</b>  | <b>500</b>   |
| Série C3    | 05/30/2016 | 05/30/2019 | 11/30/2019 | 37.21 | 37.21 | <b>823</b>   | <b>(258)</b>   | <b>(74)</b>  | <b>491</b>   |
| Série B4    | 05/31/2017 | 05/31/2020 | 11/30/2020 | 0.01  | 0.01  | <b>537</b>   | <b>(157)</b>   | <b>(38)</b>  | <b>342</b>   |
| Série C4    | 05/31/2017 | 05/31/2020 | 11/30/2020 | 56.78 | 56.78 | <b>537</b>   | <b>(155)</b>   | <b>(47)</b>  | <b>335</b>   |
| Série B3    |            |            |            |       |       |              |                |              |              |
| -Tranche 2  | 04/27/2018 | 05/30/2019 | 11/30/2019 | 0.01  | 0.01  | <b>95</b>    | -              | -            | <b>95</b>    |
| Série C3    |            |            |            |       |       |              |                |              |              |
| - Tranche 2 | 04/27/2018 | 05/30/2019 | 11/30/2019 | 56.83 | 56.83 | <b>95</b>    | -              | -            | <b>95</b>    |
| Série B5    | 05/31/2018 | 05/31/2021 | 11/30/2021 | 0.01  | 0.01  | <b>499</b>   | -              | -            | <b>499</b>   |
| Série B5    | 05/31/2018 | 06/30/2018 | 06/30/2018 | 0.01  | 0.01  | <b>95</b>    | <b>(95)</b>    | -            | -            |
| Série C5    | 05/31/2018 | 05/31/2021 | 11/30/2021 | 62.61 | 62.61 | <b>499</b>   | -              | -            | <b>499</b>   |
| Série C5    | 05/31/2018 | 06/30/2018 | 06/30/2018 | 62.61 | 62.61 | <b>95</b>    | <b>(95)</b>    | -            | -            |
|             |            |            |            |       |       | <b>4,772</b> | <b>(1,283)</b> | <b>(338)</b> | <b>3,151</b> |

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### 23. Shareholders' equity – Continued

#### 23.2. Stock option plan for preferred shares - Continued

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

|                                      | Shares       | Weighted<br>average of<br>exercise price | Weighted<br>average of<br>remaining<br>contractual<br>term |
|--------------------------------------|--------------|------------------------------------------|------------------------------------------------------------|
|                                      | in thousands | R\$                                      |                                                            |
| <b>At December 31, 2017</b>          | 2,539        | 29.48                                    | 1.53                                                       |
| Granted during the period            | 1,378        | 30.91                                    |                                                            |
| Cancelled during the period          | (124)        | 34.43                                    |                                                            |
| Exercised during the period          | (642)        | 32.77                                    |                                                            |
| Outstanding at the end of the period | 3,151        | 29.65                                    | 1.45                                                       |
| <b>At September 30, 2018</b>         | 3,151        | 29.65                                    | 1.45                                                       |

The weighted average of the provided options fair value at September 30, 2018 were R\$43.97 (R\$39.07 on December 31, 2017).

The recorded amounts at the Parent Company and Consolidated's statement of operations at the September 30, 2018 were R\$17 (R\$19 at the September 30, 2017).

#### 23.3. Foreign exchange variation of investment abroad

Cumulative effect of exchange gains and losses on the translation of assets, liabilities and profit (loss) of Euros to Brazilian reais, corresponding to the investment in subsidiary Cnova N.V. The effect in the Parent Company was R\$42 (R\$17 at the December 31, 2017).

#### 23.4. Tax incentive reserve

On June 29, 2018, was approved in extraordinary shareholders' meeting the proposal the management to reallocate the amount R\$48 arising from tax incentives treated as subsidies for investments granted to the Company in the years of 2013 to 2017, initially destined to the expansion reserve.

#### 24. Net operating revenue

|                                 | <b>Parent Company</b> |                   | <b>Consolidated</b> |                   |
|---------------------------------|-----------------------|-------------------|---------------------|-------------------|
|                                 | <b>09.30.2018</b>     | <b>09.30.2017</b> | <b>09.30.2018</b>   | <b>09.30.2017</b> |
| Gross sales                     |                       |                   |                     |                   |
| Goods                           | <b>20,642</b>         | 20,606            | <b>38,434</b>       | 34,953            |
| Services rendered and others    | <b>311</b>            | 262               | <b>343</b>          | 267               |
| Sales returns and cancellations | <b>(365)</b>          | (348)             | <b>(399)</b>        | (376)             |
|                                 | <b>20,588</b>         | 20,520            | <b>38,378</b>       | 34,844            |
| Taxes on sales                  | <b>(1,579)</b>        | (1,550)           | <b>(3,001)</b>      | (2,719)           |
| Net operating revenues          | <b>19,009</b>         | 18,970            | <b>35,377</b>       | 32,125            |

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**25. Expenses by nature**

|                                     | <b>Parent Company</b> |                   | <b>Consolidated</b> |                   |
|-------------------------------------|-----------------------|-------------------|---------------------|-------------------|
|                                     | <b>09.30.2018</b>     | <b>09.30.2017</b> | <b>09.30.2018</b>   | <b>09.30.2017</b> |
|                                     |                       | <b>Restated</b>   |                     | <b>Restated</b>   |
| Cost of inventories                 | (12,657)              | (12,230)          | (25,858)            | (23,240)          |
| Personnel expenses                  | (2,491)               | (2,581)           | (3,495)             | (3,376)           |
| Outsourced services                 | (355)                 | (376)             | (466)               | (456)             |
| Functional expenses                 | (1,287)               | (1,400)           | (1,724)             | (1,761)           |
| Selling expenses                    | (765)                 | (678)             | (1,009)             | (860)             |
| Other expenses                      | (432)                 | (396)             | (532)               | (451)             |
|                                     | (17,987)              | (17,661)          | (33,084)            | (30,144)          |
| Cost of sales                       | (13,622)              | (13,186)          | (27,018)            | (24,329)          |
| Selling expenses                    | (3,830)               | (3,901)           | (5,324)             | (5,079)           |
| General and administrative expenses | (535)                 | (574)             | (742)               | (736)             |
|                                     | (17,987)              | (17,661)          | (33,084)            | (30,144)          |

**26. Other operating expenses, net**

|                                      | <b>Parent Company</b> |                   | <b>Consolidated</b> |                   |
|--------------------------------------|-----------------------|-------------------|---------------------|-------------------|
|                                      | <b>09.30.2018</b>     | <b>09.30.2017</b> | <b>09.30.2018</b>   | <b>09.30.2017</b> |
| Tax installments and other tax risks | (74)                  | (214)             | (38)                | (190)             |
| Restructuring expenses               | (91)                  | (97)              | (100)               | (126)             |
| Losses on disposal of fixed assets   | 1                     | (75)              | (55)                | (83)              |
| Others                               | -                     | (7)               | -                   | (5)               |
| Total                                | (164)                 | (393)             | (193)               | (404)             |

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

|                                     | <b>Parent Company</b> |                   | <b>Consolidated</b> |                   |
|-------------------------------------|-----------------------|-------------------|---------------------|-------------------|
|                                     | <b>09.30.2018</b>     | <b>09.30.2017</b> | <b>09.30.2018</b>   | <b>09.30.2017</b> |
| <b>Finance expenses:</b>            |                       |                   |                     |                   |
| Cost of debt                        | (255)                 | (401)             | (288)               | (427)             |
| Cost of the discounting receivables | (74)                  | (65)              | (102)               | (92)              |
| Monetary restatement loss           | (107)                 | (72)              | (96)                | (80)              |

|                                 |              |              |              |              |
|---------------------------------|--------------|--------------|--------------|--------------|
| Other finance expenses          | (36)         | (42)         | (55)         | (60)         |
| <b>Total financial expenses</b> | <b>(472)</b> | <b>(580)</b> | <b>(541)</b> | <b>(659)</b> |

**Financial income:**

|                                    |              |              |              |              |
|------------------------------------|--------------|--------------|--------------|--------------|
| Income from short term instruments | 22           | 23           | 24           | 29           |
| Monetary restatement gain          | 73           | 73           | 96           | 96           |
| Other financial income             | 5            | 16           | 7            | 10           |
| <b>Total financial income</b>      | <b>100</b>   | <b>112</b>   | <b>127</b>   | <b>135</b>   |
| <b>Total</b>                       | <b>(372)</b> | <b>(468)</b> | <b>(414)</b> | <b>(524)</b> |

The hedge effects are recorded as cost of debt and disclosed in Note 17.

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**28. Earnings per share**

The information on earnings per share was presented in the annual financial statements for 2017, in note 29.

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

|                                                                                            | 09.30.2018 |         |       | 09.30.2017 |         |       |
|--------------------------------------------------------------------------------------------|------------|---------|-------|------------|---------|-------|
|                                                                                            | Preferred  | Common  | Total | Preferred  | Common  | Total |
|                                                                                            |            |         |       | Restated   |         |       |
| <b>Basic numerator</b>                                                                     |            |         |       |            |         |       |
| Net income (loss) allocated to common and preferred shareholders - continued operations    | 471        | 256     | 727   | 160        | 86      | 246   |
| Net income (loss) allocated to common and preferred shareholders - discontinued operations | 33         | 18      | 51    | 32         | 18      | 50    |
| Net income (loss) allocated to common and preferred shareholders                           | 504        | 274     | 778   | 192        | 104     | 296   |
| <b>Basic denominator (millions of shares)</b>                                              |            |         |       |            |         |       |
| Weighted average of shares                                                                 | 167        | 100     | 267   | 166        | 100     | 266   |
| Basic earnings per millions of shares (R\$) - continued operations                         | 2.82076    | 2.56433 |       | 0.96820    | 0.88018 |       |
| Basic earnings per millions of shares (R\$) - discontinued operations                      | 0.20030    | 0.18209 |       | 0.18583    | 0.16894 |       |
| Basic earnings per millions of shares (R\$) - total                                        | 3.02106    | 2.74642 |       | 1.15403    | 1.04912 |       |
| <b>Diluted numerator</b>                                                                   |            |         |       |            |         |       |
| Net income (loss) allocated to common and preferred shareholders - continued operations    | 471        | 256     | 727   | 160        | 86      | 246   |
| Net income (loss) allocated to common and preferred shareholders - discontinued operations | 33         | 18      | 51    | 32         | 18      | 50    |

|                                                                         |                |                |            |         |         |     |
|-------------------------------------------------------------------------|----------------|----------------|------------|---------|---------|-----|
| Net income (loss) allocated to common and preferred shareholders        | <b>504</b>     | <b>274</b>     | <b>778</b> | 192     | 104     | 296 |
| <b>Diluted denominator</b>                                              |                |                |            |         |         |     |
| Weighted average of shares (in millions)                                | <b>167</b>     | <b>100</b>     | <b>267</b> | 166     | 100     | 266 |
| Stock options                                                           | <b>1</b>       | <b>-</b>       | <b>1</b>   | 1       | -       | 1   |
| Diluted weighted average of shares (millions)                           | <b>168</b>     | <b>100</b>     | <b>268</b> | 167     | 100     | 267 |
| Diluted earnings per millions of shares (R\$) – continued operations    | <b>2.80273</b> | <b>2.56417</b> |            | 0.96473 | 0.88018 |     |
| Diluted earnings per millions of shares (R\$) – discontinued operations | <b>0.19896</b> | <b>0.18193</b> |            | 0.18516 | 0.16894 |     |
| Diluted earnings per millions of shares (R\$) – total                   | <b>3.00168</b> | <b>2.74610</b> |            | 1.14990 | 1.04912 |     |



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### 29. Segment information

The information about segments was presented in the annual financial statements of 2017, in note 30. Management considers the following segments:

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

Home appliances and e-commerce segments are presented as discontinued operations at the September 30, 2018 and 2017 (as per note 31) and kept in this note for purposes of reconciliation as consolidated accounting information.

Information on the Company’s segments as of September 30, 2018 is included in the table below:

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**29. Segment information – Continued**

| Description                                            | Food Retail (*) |        | Cash & Carry  |        | Assets held for sale and discontinued operations (**) |      | Subtotal      |        | Eliminations/ Others(***) |      | Total         |        |
|--------------------------------------------------------|-----------------|--------|---------------|--------|-------------------------------------------------------|------|---------------|--------|---------------------------|------|---------------|--------|
|                                                        | 2018            | 2017   | 2018          | 2017   | 2018                                                  | 2017 | 2018          | 2017   | 2018                      | 2017 | 2018          | 2017   |
|                                                        | Restated        |        | Restated      |        | Restated                                              |      | Restated      |        | Restated                  |      | Restated      |        |
| Net operating revenues                                 | <b>19,177</b>   | 19,129 | <b>16,200</b> | 12,996 | -                                                     | -    | <b>35,377</b> | 32,125 | -                         | -    | <b>35,377</b> | 32,125 |
| Gross profit                                           | <b>5,415</b>    | 5,829  | <b>2,944</b>  | 1,967  | -                                                     | -    | <b>8,359</b>  | 7,796  | -                         | -    | <b>8,359</b>  | 7,796  |
| Depreciation and amortization                          | <b>(455)</b>    | (448)  | <b>(170)</b>  | (126)  | -                                                     | -    | <b>(625)</b>  | (574)  | -                         | -    | <b>(625)</b>  | (574)  |
| Share of profit of subsidiaries and associates         | <b>51</b>       | 41     | -             | -      | -                                                     | -    | <b>51</b>     | 41     | <b>(103)</b>              | (93) | <b>(52)</b>   | (52)   |
| Operating income                                       | <b>440</b>      | 572    | <b>1,086</b>  | 472    | -                                                     | -    | <b>1,526</b>  | 1,044  | <b>(103)</b>              | (93) | <b>1,423</b>  | 951    |
| Net financial expenses                                 | <b>(385)</b>    | (483)  | <b>(29)</b>   | (41)   | -                                                     | -    | <b>(414)</b>  | (524)  | -                         | -    | <b>(414)</b>  | (524)  |
| Profit(loss) before income tax and social contribution | <b>55</b>       | 89     | <b>1,057</b>  | 431    | -                                                     | -    | <b>1,112</b>  | 520    | <b>(103)</b>              | (93) | <b>1,009</b>  | 427    |
| Income tax and social contribution                     | <b>70</b>       | (34)   | <b>(353)</b>  | (146)  | -                                                     | -    | <b>(283)</b>  | (180)  | -                         | -    | <b>(283)</b>  | (180)  |
| Net income (loss) for continued operations             | <b>125</b>      | 55     | <b>704</b>    | 285    | -                                                     | -    | <b>829</b>    | 340    | <b>(103)</b>              | (93) | <b>726</b>    | 247    |
| Net income (loss) for discontinued operations          | <b>(17)</b>     | (37)   | -             | -      | <b>180</b>                                            | 215  | <b>163</b>    | 178    | -                         | -    | <b>163</b>    | 178    |

|                        |               |        |              |       |               |        |               |        |              |       |               |        |
|------------------------|---------------|--------|--------------|-------|---------------|--------|---------------|--------|--------------|-------|---------------|--------|
| Profit (loss)          | <b>108</b>    | 18     | <b>704</b>   | 285   | <b>180</b>    | 215    | <b>992</b>    | 518    | <b>(103)</b> | (93)  | <b>889</b>    | 425    |
| Current assets         | <b>6,897</b>  | 7,187  | <b>3,252</b> | 3,090 | <b>21,956</b> | 22,996 | <b>32,105</b> | 33,273 | <b>(229)</b> | (257) | <b>31,876</b> | 33,016 |
| Noncurrent assets      | <b>11,278</b> | 11,150 | <b>4,767</b> | 3,569 | -             | -      | <b>16,045</b> | 14,719 | <b>(44)</b>  | (28)  | <b>16,001</b> | 14,691 |
| Current liabilities    | <b>6,358</b>  | 7,966  | <b>3,888</b> | 3,414 | <b>16,635</b> | 17,897 | <b>26,881</b> | 29,277 | <b>(273)</b> | (285) | <b>26,608</b> | 28,992 |
| Noncurrent liabilities | <b>6,728</b>  | 4,973  | <b>779</b>   | 701   | -             | -      | <b>7,507</b>  | 5,674  | -            | -     | <b>7,507</b>  | 5,674  |
| Shareholders' equity   | <b>5,089</b>  | 5,398  | <b>3,352</b> | 2,544 | <b>5,321</b>  | 5,099  | <b>13,762</b> | 13,041 | -            | -     | <b>13,762</b> | 13,041 |

(\*) Food retail includes GPA Malls & Properties.

(\*\*) See note 31.

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

## Companhia Brasileira de Distribuição

Notes to the interim financial information

September 30, 2017

(In millions of Brazilian reais, unless otherwise stated)

### 29. Segment information – Continued

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

|                                    | 09.30.2018    | 09.30.2017    |
|------------------------------------|---------------|---------------|
| Assaí                              | 16,201        | 12,996        |
| Extra                              | 11,341        | 11,726        |
| Pão de Açúcar                      | 5,032         | 4,871         |
| Proximidade                        | 861           | 808           |
| Other business                     | 1,942         | 1,724         |
| <b>Total net operating revenue</b> | <b>35,377</b> | <b>32,125</b> |

### 30. Non cash transactions

During the semesters ended at September 30, 2018 and 2017 the Company had transactions that was not presented at the statement of cash flows as presented below:

- Purchase of fixed assets not paid yet as note 14.3;
- Purchase of intangible assets not paid yet as per note 15.3;
- Deferred income tax as per note 19;
- Additions of provisions for contingencies as per note 20;
- Recognition of ICMS tax credits, according to note 11.

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

The detailed information about assets held for sale and discontinued operations were presented in the annual financial statements of 2017, in note 32.

#### Composition:

|                                       |               |
|---------------------------------------|---------------|
| Net assets Via Varejo (see note 31.1) | 21,731        |
| Property/lands held for sale CBD (*)  | 135           |
| <b>Total</b>                          | <b>21,866</b> |

(\*)The Company continued a process of sale the assests and on September 2018 sale one distribution centers per R\$117 are at of cost of R\$112. Remained to sale one distribution centers, and three lands,

duly approved in the necessary administrative instances, with a high probability of sale with carrying amount of R\$135. There is no evidence of sale of these assets in amount smaller than their carrying amount.

The Company entered into a sale and purchase commitment private instrument ("commitment") of a land classified as held for sale. The transaction will be evaluated during the fourth quarter of 2018, regarding the rights and obligations resulting from this commitment and the management will conclude about its recognition.

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

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

## Companhia Brasileira de Distribuição

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September 30, 2017

(In millions of Brazilian reais, unless otherwise stated)

### 31. Non current assets held for sale and discontinued operations – Continued

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

During 2017, due to certain external factors out of the control of the Company, mainly related to the macro economic scenario, the process of sale of Via Varejo was not concluded within one year as initially planned. The plan to sell Via Varejo remains unchanged, and the Company's Management will evaluate the progress of this plan for the annual financial statements.

Therefore, as required by CPC 31 – “Non-current assets held for sale and discontinued operations” (IFRS 5), the net results, of Via Varejo (and its subsidiary Cnova Brasil) is included in statement of operations as a single line, after taxes, and assets and liabilities balances are disclosed as held for sale and discontinued operations.

Statement of value added on September 30, 2018 and 2017 also discloses the discontinued operations as a single line, nevertheless, for cash flows there were no effects as per IFRS 5 being disclosed at this note the effect of discontinued operations. Non current assets and liabilities held for sale on September 30, 2018 were R\$21,731 (R\$22,753 on December 31, 2017) and R\$16,587 (R\$17,824 on December 31, 2017), respectively. The net effects on discontinued operations were a net income of R\$163 at September 30, 2018 (net profit of R\$211 at September 30, 2017).

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

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

#### Balance sheet (\*):

|                           | 09.30.2018 | 12.31.2017<br>Restated |
|---------------------------|------------|------------------------|
| <b>Assets</b>             |            |                        |
| <b>Current</b>            |            |                        |
| Cash and cash equivalents | 429        | 3,559                  |
| Trade receivables (i)     | 3,798      | 3,750                  |
| Inventories               | 5,557      | 4,379                  |
| Recoverable taxes         | 682        | 219                    |
| Other current assets      | 132        | 168                    |
| Total current assets      | 10,598     | 12,075                 |
|                           |            | 182                    |

**Noncurrent**

|                                             |               |               |
|---------------------------------------------|---------------|---------------|
| Trade receivables                           | 173           | 201           |
| Recoverable taxes                           | 2,893         | 2,725         |
| Other accounts receivable                   | 984           | 962           |
| Deferred income tax and social contribution | 353           | 415           |
| Related parties                             | 481           | 539           |
| Investment properties                       | 101           | 81            |
| Property and equipment                      | 1,849         | 1,711         |
| Intangible assets                           | 4,524         | 4,287         |
| <b>Total noncurrent assets</b>              | <b>11,358</b> | <b>10,921</b> |
| <b>Total assets</b>                         | <b>21,956</b> | <b>22,996</b> |

**Companhia Brasileira de Distribuição**

Notes to the interim financial information

September 30, 2017

(In millions of Brazilian reais, unless otherwise stated)

**31. Non current assets held for sale and discontinued operations – Continued****31.1. Ongoing transaction to dispose of Via Varejo subsidiary – Continued****Balance sheet (\*):**

|                                                   | <b>09.30.2018</b> | <b>12.31.2017<br/>Restated</b> |
|---------------------------------------------------|-------------------|--------------------------------|
| <b>Liabilities</b>                                |                   |                                |
| <b>Current</b>                                    |                   |                                |
| Trade payable, net                                | <b>7,825</b>      | 7,726                          |
| Structured payable program                        | <b>194</b>        | 437                            |
| Borrowings and financing (i)                      | <b>3,339</b>      | 3,802                          |
| Related parties                                   | <b>155</b>        | 139                            |
| Other current liabilities (ii)                    | <b>1,883</b>      | 2,176                          |
| <b>Total current liabilities</b>                  | <b>13,396</b>     | 14,280                         |
| <b>Noncurrent</b>                                 |                   |                                |
| Borrowings and financing (i)                      | <b>469</b>        | 397                            |
| Deferred income tax and social contribution       | <b>840</b>        | 840                            |
| Other noncurrent liabilities (ii)                 | <b>1,930</b>      | 2,380                          |
| <b>Total noncurrent liabilities</b>               | <b>3,239</b>      | 3,617                          |
| Shareholders' equity                              | <b>5,321</b>      | 5,099                          |
| <b>Total liabilities and shareholders' equity</b> | <b>21,956</b>     | 22,996                         |

(\*) Before intercompany eliminations with GPA in the amount R\$225 of assets and R\$48 of liabilities.

(i) Includes financed sales through CDCI, whose value on September 30, 2018 is R\$ 2,265 in assets (R\$ 2,382 at December 31, 2017) and R\$ 3,290 in liabilities (R\$ 3,466 on December 31, 2017).

(ii) Includes balance of R\$1,271 on September 30, 2018 (R\$1,374 on December 31, 2017) of deferred revenue related to the advance received from Zurich Seguros (extended warranty and insurance) and from Bradesco (cards transactions and banking correspondent).

| <b>Parent Company's effects</b>                         | <b>Note</b> | <b>09.30.2018</b> | <b>12.31.2017</b> |
|---------------------------------------------------------|-------------|-------------------|-------------------|
| Reclassification of investment for held for sale        | 13.1        | <b>1,902</b>      | 1,808             |
| Reclassification of goodwill for held for sale          | 15          | <b>179</b>        | 179               |
| <b>Assets held for sale and discontinued operations</b> |             | <b>2,081</b>      | <b>1,987</b>      |





**Companhia Brasileira de Distribuição**

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September 30, 2017

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

| <b>Statement of operations (*)</b>                             | <b>09.30.2018</b> | <b>09.30.2017</b><br>Restated |
|----------------------------------------------------------------|-------------------|-------------------------------|
| Net operating revenue                                          | <b>19,668</b>     | 18,248                        |
| Cost of sales                                                  | <b>(13,640)</b>   | (12,335)                      |
| <b>Gross profit</b>                                            | <b>6,028</b>      | 5,913                         |
| Operating income (expenses)                                    |                   |                               |
| Selling, general and administrative expenses                   | <b>(5,088)</b>    | (4,868)                       |
| Share of profit of associates                                  | <b>21</b>         | 16                            |
| Other operating expenses, net                                  | <b>(113)</b>      | (212)                         |
|                                                                | <b>(5,180)</b>    | (5,064)                       |
| <b>Profit from operations before net financial result</b>      | <b>848</b>        | 849                           |
| Financial expenses, net                                        | <b>(577)</b>      | (577)                         |
| <b>Income (loss) before income tax and social contribution</b> | <b>271</b>        | 272                           |
| Income tax and social contribution                             | <b>(75)</b>       | (44)                          |
| <b>Net income (loss) for the year</b>                          | <b>196</b>        | 228                           |
| Attributed to:                                                 |                   |                               |
| Controlling shareholders                                       | <b>85</b>         | 99                            |
| Non-controlling shareholders                                   | <b>111</b>        | 129                           |

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

| <b>Description</b>                  | <b>09.30.2018</b> | <b>09.30.2017</b> |
|-------------------------------------|-------------------|-------------------|
| Net operating revenue               | <b>(30)</b>       | (26)              |
| Cost of sales                       | <b>(6)</b>        | (6)               |
| Selling costs                       | <b>1</b>          | (1)               |
| General and administrative expenses | <b>3</b>          | (3)               |
| Financial result, net               | <b>12</b>         | 19                |
| Income tax and social contribution  | <b>5</b>          | 4                 |
| <b>Total</b>                        | <b>(15)</b>       | (13)              |

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

were reclassified to discontinued operations in the amount of R\$(18) as of September 30, 2018 (R\$(37) as of September 30, 2017).

| <b>Cash flow</b>                       | <b>09.30.2018</b> | <b>09.30.2017</b> |
|----------------------------------------|-------------------|-------------------|
| Cash flow used in operating activities | (2,028)           | (2,880)           |
| Net cash used in investing activities  | (427)             | (193)             |
| Net cash used in financing activities  | (675)             | (418)             |
| <b>Cash variation in the period</b>    | <b>(3,130)</b>    | <b>(3,491)</b>    |

## **Companhia Brasileira de Distribuição**

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### **32. Subsequent events**

#### **32.1. Distribution agreement with Zurich Minas Brasil Seguros S.A. ("Zurich")**

On October 15, 2018, the subsidiary Via Varejo entered into an addendum to the distribution of insurance agreement with Zurich, renegotiated and consolidated the contracts previously concluded into in 2014 and 2016. The expected term for the addendum is January 2026. The amount to be paid for Via Varejo as anticipation totals R\$837 and will be recognized as contractual goals are reached.

Until the date of the disclosure of its financial statements, Via Varejo had received R\$715. The remaining amount will be received after the start of sales on online channels, scheduled for early 2019.

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**Other information deemed as relevant by the Company****Shareholding at 9/30/2018**

| <b>SHAREHOLDING OF CONTROLLING PARTIES OF THE COMPANY'S SHARES. UP TO THE INDIVIDUAL LEVEL</b> |                      |                |                         |                |                                             |                |
|------------------------------------------------------------------------------------------------|----------------------|----------------|-------------------------|----------------|---------------------------------------------|----------------|
| <b>COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO (Publicly-held company)</b>                            |                      |                |                         |                | <b>Shareholding at 6/30/2018 (In units)</b> |                |
| <b>Shareholder</b>                                                                             | <b>Common Shares</b> |                | <b>Preferred Shares</b> |                | <b>Total</b>                                |                |
|                                                                                                | <b>Number</b>        | <b>%</b>       | <b>Number</b>           | <b>%</b>       | <b>Number</b>                               | <b>%</b>       |
| Wilkes Participações S/A                                                                       | 94,019,178           | 94.32%         | 0                       | 0.00%          | 94,019,178                                  | 35.24%         |
| Jean-Charles Naouri                                                                            | 0                    | 0.00%          | 1                       | 0.00%          | 1                                           | 0.00%          |
| Geant International BV*                                                                        | 0                    | 0.00%          | 9,423,742               | 5.64%          | 9,423,742                                   | 3.53%          |
| Segisor*                                                                                       | 5,600,050            | 5.62%          | 0                       | 0.00%          | 5,600,050                                   | 2.10%          |
| Casino Guichard Perrachon*                                                                     | 1                    | 0.00%          | 0                       | 0.00%          | 1                                           | 0.00%          |
| Almacenes Éxito S.A.*                                                                          | 1                    | 0.00%          | 0                       | 0.00%          | 1                                           | 0.00%          |
| King LLC*                                                                                      | 0                    | 0.00%          | 852,000                 | 0.51%          | 852,000                                     | 0.32%          |
| Helicco Participações Ltda.                                                                    | 0                    | 0.00%          | 581,600                 | 0.35%          | 581,600                                     | 0.22%          |
| Carmignac Gestion*                                                                             | 0                    | 0.00%          | 13,374,888              | 8.00%          | 13,374,888                                  | 5.01%          |
| Brandes Investment Partners, LP*                                                               | 0                    | 0.00%          | 6,903,029               | 4.13%          | 6,903,029                                   | 2.59%          |
| Board of Executive Officers                                                                    | 0                    | 0.00%          | 501,023                 | 0.30%          | 501,023                                     | 0.19%          |
| Board of Directors                                                                             | 0                    | 0.00%          | 52,237                  | 0.03%          | 52,237                                      | 0.02%          |
| Treasury Shares                                                                                | 0                    | 0.00%          | 232,586                 | 0.14%          | 232,586                                     | 0.09%          |
| Others                                                                                         | 60,621               | 0.06%          | 135,198,226             | 80.90%         | 135,258,847                                 | 50.70%         |
| <b>TOTAL</b>                                                                                   | <b>99,679,851</b>    | <b>100.00%</b> | <b>167,119,332</b>      | <b>100.00%</b> | <b>266,799,183</b>                          | <b>100.00%</b> |

(\*) Foreign Company

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

| <b>WILKES PARTICIPAÇÕES S.A</b> |                      |                |                         |              | <b>Shareholding in units</b> |             |
|---------------------------------|----------------------|----------------|-------------------------|--------------|------------------------------|-------------|
| <b>Shareholder/Quotaholder</b>  | <b>Common Shares</b> |                | <b>Preferred Shares</b> |              | <b>Total</b>                 |             |
|                                 | <b>Number</b>        | <b>%</b>       | <b>Number</b>           | <b>%</b>     | <b>Number</b>                | <b>%</b>    |
| Casino Guichard Perrachon*      | 1                    | 0.00%          | 0                       | 0.00%        | 1                            | 0.00%       |
| Segisor*                        | 217,402,606          | 97.23%         | 0                       | 0.00%        | 217,402,606                  | 97.23%      |
| Oregon LLC*                     | 2,119,162            | 0.95%          | 0                       | 0.00%        | 2,119,162                    | 0.95%       |
| Pincher LLC*                    | 4,080,774            | 1.83%          | 0                       | 0.00%        | 4,080,774                    | 1.83%       |
| Almanacenes Éxito S.A.*         | 1                    | 0.00%          | 0                       | 0.00%        | 1                            | 0.00%       |
| Treasury Shares                 | 0                    | 0.00%          | 0                       | 0.00%        | 0                            | 0.00%       |
| <b>TOTAL</b>                    | <b>223,602,544</b>   | <b>100.00%</b> | <b>0</b>                | <b>0.00%</b> | <b>223,602,544</b>           | <b>100%</b> |



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

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

(\*) Foreign Company

**SHAREHOLDING OF CONTROLLING PARTIES OF THE COMPANY'S SHARES. UP TO THE  
INDIVIDUAL LEVEL****ONPER INVESTIMENTOS 2015 S.L.**

| Shareholder             |                  |             | Preferred<br>Shares | %         | Shareholding in units |                |
|-------------------------|------------------|-------------|---------------------|-----------|-----------------------|----------------|
|                         | Common<br>Shares | %           |                     |           | Number                | %              |
| Almanacenes Éxito S.A.* | 3,000            | 100.00%     | -                   | 0,00%     | 3,000                 | 100,00%        |
| <b>TOTAL</b>            | <b>3,000</b>     | <b>100%</b> | -                   | <b>0%</b> | <b>3,000</b>          | <b>100,00%</b> |

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

| Shareholders*                                           |                    |                | Preferred<br>Shares | %            | Shareholding at<br>6/30/2018 (In units) |                |
|---------------------------------------------------------|--------------------|----------------|---------------------|--------------|-----------------------------------------|----------------|
|                                                         | Common<br>Shares   | %              |                     |              | Number                                  | %              |
| Geant International B.V.                                | 187,689,792        | 41.93%         | 0                   | 0,00%        | 187,689,792                             | 41.93%         |
| Geant Fonciere B.V.                                     | 47,725,428         | 10.66%         | 0                   | 0,00%        | 47,725,428                              | 10.66%         |
| Fondo de Pensiones<br>Obligatorias Porvenir<br>Moderado | 24,518,315         | 5.48%          | 0                   | 0,00%        | 24,518,315                              | 5.48%          |
| Other Shareholders                                      | 187,670,781        | 41.93%         | 0                   | 0,00%        | 187,670,781                             | 41.93%         |
| <b>TOTAL</b>                                            | <b>447,604,316</b> | <b>100.00%</b> | <b>0</b>            | <b>0,00%</b> | <b>447,604,316</b>                      | <b>100.00%</b> |

**Other information deemed as relevant by the Company****CONSOLIDATED SHAREHOLDING OF CONTROLLING PARTIES AND  
MANAGEMENT AND OUTSTANDING SHARES****Shareholding (In units)**

| Shareholder | Shareholding at 6/30/2018 |   |                            |   |        |   |
|-------------|---------------------------|---|----------------------------|---|--------|---|
|             | Common Shares<br>Number   | % | Preferred Shares<br>Number | % | Number | % |

|                             |                   |                |                    |                |                    |                |
|-----------------------------|-------------------|----------------|--------------------|----------------|--------------------|----------------|
| <b>Controlling parties</b>  | 99,619,230        | 99.94%         | 10,857,343         | 6.50%          | 110,476,573        | 41.41%         |
| <b>Management</b>           |                   |                |                    |                |                    |                |
| Board of Directors          | -                 | 0.00%          | 501,023            | 0.30%          | 501,023            | 0.19%          |
| Board of Executive Officers | -                 | 0.00%          | 52,237             | 0.03%          | 52,237             | 0.02%          |
| <b>Treasury Shares</b>      | -                 | 0.00%          | 232,586            | 0.14%          | 232,586            | 0.09%          |
| <b>Other Shareholders</b>   | 60,621            | 0.06%          | 155,476,143        | 93.03%         | 155,536,764        | 58.30%         |
| <b>Total</b>                | <b>99,679,851</b> | <b>100.00%</b> | <b>167,119,332</b> | <b>100.00%</b> | <b>266,799,183</b> | <b>100.00%</b> |
| <b>Outstanding Shares</b>   | <b>60,621</b>     | <b>0.06%</b>   | <b>156,029,403</b> | <b>93.36%</b>  | <b>156,090,024</b> | <b>58.48%</b>  |



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| CONSOLIDATED SHAREHOLDING OF CONTROLLING PARTIES AND<br>MANAGEMENT AND OUTSTANDING SHARES |                   |                |                    |                | Shareholding at 6/30/2018<br>(In units) |                |
|-------------------------------------------------------------------------------------------|-------------------|----------------|--------------------|----------------|-----------------------------------------|----------------|
| Shareholder                                                                               | Common Shares     |                | Preferred Shares   |                | Number                                  | %              |
|                                                                                           | Number            | %              | Number             | %              |                                         |                |
| <b>Controlling parties</b>                                                                | 99,619,230        | 99.94%         | 10,857,343         | 6.51%          | 110,476,573                             | 41.46%         |
| <b>Management</b>                                                                         |                   |                |                    |                |                                         |                |
| Board of Directors                                                                        | -                 | 0.00%          | 1                  | 0.00%          | 1                                       | 0.00%          |
| Board of Executive<br>Officers                                                            | -                 | 0.00%          | 367,708            | 0.22%          | 367,708                                 | 0.14%          |
| <b>Treasury Shares</b>                                                                    | -                 | 0.00%          | 232,586            | 0.14%          | 232,586                                 | 0.09%          |
| <b>Other Shareholders</b>                                                                 | 60,621            | 0.06%          | 155,314,129        | 93.13%         | 155,374,750                             | 58.31%         |
| <b>Total</b>                                                                              | <b>99,679,851</b> | <b>100.00%</b> | <b>166,771,767</b> | <b>100.00%</b> | <b>266,451,618</b>                      | <b>100.00%</b> |
| <b>Outstanding Shares</b>                                                                 | <b>60,621</b>     | <b>0.06%</b>   | <b>155,681,838</b> | <b>93.35%</b>  | <b>155,742,459</b>                      | <b>58.45%</b>  |

## SIGNATURES

Pursuant to the requirement of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

### COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Date: October 26, 2018

By: /s/ Peter Estermann

Name: Peter Estermann

Title: Chief Executive Officer

By: /s/ Daniela Sabbag

Name: Daniela Sabbag

Title: Investor Relations Officer

## FORWARD-LOOKING STATEMENTS

This press release may contain forward-looking statements. These statements are statements that are not historical facts, and are based on management's current view and estimates of future economic circumstances, industry conditions, company performance and financial results. The words "anticipates", "believes", "estimates", "expects", "plans" and similar expressions, as they relate to the company, are intended to identify forward-looking statements. Statements regarding the declaration or payment of dividends, the implementation of principal operating and financing strategies and capital expenditure plans, the direction of future operations and the factors or trends affecting financial condition, liquidity or results of operations are examples of forward-looking statements. Such statements reflect the current views of management and are subject to a number of risks and uncertainties. There is no guarantee that the expected events, trends or results will actually occur. The statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, and operating factors. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations.

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