

BRAZILIAN DISTRIBUTION CO COMPANHIA BRASILEIRA DE DISTR CBD

Form 6-K

February 20, 2013

---

## FORM 6-K

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

### Report of Foreign Private Issuer

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

For the month of February, 2013

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

---

## **4Q12 and 2012 Earnings**

**4Q12: Net sales revenue up 9.1% and EBITDA up 33.5%**

**2012: Net income totaled R\$ 1.156 billion, growth of 60.7%**

**São Paulo, Brazil, February 20, 2013 - Grupo Pão de Açúcar** [BM&FBOVESPA: PCAR4 (PN); NYSE: CBD] and **Viavarejo** [BM&FBOVESPA: VVAR3] announce their results for the fourth quarter of 2012 (4Q12) and full year of 2012 (2012). The results are presented in the segments as follows: **GPA Food**, which comprises supermarkets (Pão de Açúcar, Extra Supermercado and PA Delivery), hypermarkets (Extra Hiper), neighborhood stores (Minimercado Extra), cash-and-carry stores (Assaí), GPA Malls & Properties and gas stations and drugstores; and **GPA Consolidated**, comprised by GPA Food and Viavarejo (Casas Bahia and Ponto Frio's bricks-and-mortar stores and Nova Pontocom's e-commerce: Extra.com.br, PontoFrio.com.br, Casasbahia.com.br, Barateiro.com.br, Partiu Viagens and e-Hub). More information about the results of Viavarejo can be obtained in its earnings release.

## **GPA Food**

**Gross sales revenue up 9.7% in 4Q12**

**EBITDA up 29.7%, to R\$ 744 million**

- ◆ Gross sales revenue totaled R\$ 8.805 billion, up 9.7% over 4Q11
- ◆ EBITDA at R\$ 744 million, up 29.7% over 4Q11, with margin at 9.4%
- ◆ Net profit at R\$ 305 million, up 13.3% over 4Q11
- ◆ GPA Malls & Properties: swap revenue of R\$ 55 million on partnerships with builders in 3 projects
- ◆ Increase in expansion pace: 35 new stores in 4T12 and other 16 under construction

## **GPA Consolidated**

**In 4Q12, gross sales revenue reached R\$ 16.396 billion and EBITDA margin up 170 basis-points.**

**Company posts record net profit for the quarter and year: R\$ 539 million in 4Q12, up 36.4% over 4Q11,**

**and R\$ 1.156 billion, up 60.7% over 2011.**

- ◆ Gross sales revenues totaled R\$ 16.396 billion, up 8.4% over 4Q11
- ◆ EBITDA at R\$ 1.323 billion, up 33.5% over 4Q11
- ◆ Net financial expense down 12.4%, in 4Q12, despite the 8.4% increase in sales

## HIGHLIGHTS

(R\$ million)(1)	GPA Food						GPA Consolidated					
	4Q12	4Q11	Δ	2012	2011	Δ	4Q12	4Q11	Δ	2012	2011	Δ
<b>Gross Sales Revenue</b>	8,805	8,028	9.7%	31,097	28,431	9.4%	16,396	15,132	8.4%	57,234	52,681	8.6%
<b>Net Sales Revenue</b>	7,941	7,206	10.2%	28,078	25,578	9.8%	14,584	13,371	9.1%	50,924	46,594	9.3%
Gross Profit	2,173	1,882	15.5%	7,455	6,613	12.7%	4,104	3,740	9.7%	13,804	12,659	9.0%
<b>Gross Margin</b>	<b>27.4%</b>	<b>26.1%</b>	<b>130 bps</b>	<b>26.6%</b>	<b>25.9%</b>	<b>70 bps</b>	<b>28.1%</b>	<b>28.0%</b>	<b>10 bps</b>	<b>27.1%</b>	<b>27.2%</b>	<b>-10 bps</b>
EBITDA	744	573	29.7%	2,291	1,835	24.9%	1,323	991	33.5%	3,668	2,816	30.3%
<b>EBITDA Margin(2)</b>	<b>9.4%</b>	<b>8.0%</b>	<b>140 bps</b>	<b>8.2%</b>	<b>7.2%</b>	<b>100 bps</b>	<b>9.1%</b>	<b>7.4%</b>	<b>170 bps</b>	<b>7.2%</b>	<b>6.0%</b>	<b>120 bps</b>
Net Financial Revenue (Expenses)	(136)	(146)	-6.9%	(515)	(641)	-19.6%	(300)	(343)	-12.4%	(1,193)	(1,333)	-10.5%
<b>% of net sales revenue</b>	<b>1.7%</b>	<b>2.0%</b>	<b>-30 bps</b>	<b>1.8%</b>	<b>2.5%</b>	<b>-70 bps</b>	<b>2.1%</b>	<b>2.6%</b>	<b>-50 bps</b>	<b>2.3%</b>	<b>2.9%</b>	<b>-60 bps</b>
Company's net profit	305	269	13.3%	834	616	35.5%	539	395	36.4%	1,156	720	60.7%
<b>Net Margin</b>	<b>3.8%</b>	<b>3.7%</b>	<b>10 bps</b>	<b>3.0%</b>	<b>2.4%</b>	<b>60 bps</b>	<b>3.7%</b>	<b>3.0%</b>	<b>70 bps</b>	<b>2.3%</b>	<b>1.5%</b>	<b>80 bps</b>

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

(2) Earnings before Interest, Taxes, Depreciation, Amortization and Net Financial Revenue (Expenses)

## PERFORMANCE BY SEGMENT

The Company operates four segments – food retail, cash and carry, electronics and home appliances retail (bricks and mortar) and e-commerce. They are grouped as follows:

*In order to enable comparison of the Company's figures, the tables and explanations about the 4Q12 and 2012 earnings, except when otherwise noticed, exclude the revenue from the Company's real estate projects. In 4Q12, R\$ 55 million in gross sales revenue was recognized. This figure refers to land swaps for development and construction of real estate projects. Another R\$ 98 million were incurred in other periods, totaling R\$ 153 million in revenues from real estate projects, in 2012. For further information on the recognition of such revenue, see note number 28 on the 2012 Financial Statements.*

### Sales Performance

(R\$ million)	GPA Food <i>ex-real estate projects</i>			GPA Food ( <i>ex-real estate projects</i> )					
	4Q12	4Q11	Δ	Retail			Cash and Carry		
				4Q12	4Q11	Δ	4Q12	4Q11	Δ
<b>Gross Sales Revenue</b>	8,751	8,028	9.0%	7,209	6,786	6.2%	1,542	1,243	24.1%
<b>Net Sales Revenue</b>	7,887	7,206	9.4%	6,480	6,072	6.7%	1,407	1,134	24.1%
<b>Gross 'Same-Store' Sales Revenue</b>	5.6%	8.7%							
Food	7.8%	7.2%							
Non-food	-1.6%	13.6%							

## GPA Food 4Q12 x 4Q11

Gross sales revenue increased 9.0% over 4Q11, to R\$ 8.751 billion. Same-store sales growth was 5.6%, lead by growth of 7.8% in Food sales, notably in perishables and beverages categories. In Non-Food, sales from the consumer electronics category, in Extra banner, were decreased over 4Q11, due to strong comps. In 4Q11, Extra was the sole retail banner to promote Black Friday in bricks-and-mortar stores and the electronics/appliances category grew 28% over 4Q10.

4 Retail: gross sales revenue up 6.2%. The highlights were:

§ Minimercado Extra performance, as a result of the conversion process conclusion from the former Extra Fácil format, and of the increase the store openings pace. The format, which was repositioned in order to offer a broader assortment of perishables and services – such as butchery and bakery – posted a double-digit growth in same-store-sales in 4Q12, the banner's highest growth of 2012, which opened 30 new stores in the quarter.

§ Fastest growth at Pão de Açúcar banner over Retail Food's average. Both fruits and vegetables and beverage categories were the main drivers of the same-store growth in food. Sales of organic fruits and vegetables were high during the period, helped by the change in displaying these products in the stores. These products are now offered in dedicated stations to organic products.

4 Cash-and-carry: gross sales revenue up 24.1%, mainly due to:

§ Double-digit growth in same-store gross sales revenue, due to an increase over 15.0% in the average ticket resulting from adjustments aiming at the target publics of the banner – processors, resellers and users – with an increase in the offering of perishables.

(R\$ million)	GPA Food <i>ex-real estate projects</i>			GPA Consolidated <i>ex-real estate projects</i>					
	2012	2011	Δ	4Q12	4Q11	Δ	2012	2011	Δ
<b>Gross Sales Revenue</b>	30,944	28,431	8.8%	16,342	15,132	8.0%	57,081	52,681	8.4%
<b>Net Sales Revenue</b>	27,926	25,578	9.2%	14,530	13,371	8.7%	50,772	46,594	9.0%
<b>Gross 'Same-Store' Sales Revenue</b>	6.5%	8.0%		5.8%	8.5%		7.0%	8.8%	
Food	7.4%	7.5%							
Non-food	3.6%	9.6%							

### **GPA Food 2012 x 2011**

In 2012, gross sales revenue increased 8.8%, to R\$ 30.944 billion. Same-store sales growth was 6.5%.

2012 was the first full year of Extra Supermercado operation, strengthening Extra as a national player. The banner, which by the end of 2011 was operating only through Extra Hiper, where the one-stop shop offers gas stations and drugstores, was strengthened with the launch of its own clothing brand and the introduction of the concept store-in-store, in which the designated area for the category was enhanced with its own fit rooms and checkouts, and the reintroduction of butchers. In 2012, Drogaria Extra was also repositioned, with changes in store layout and enhancement of perfumery category. In the fourth quarter, Extra Delivery was launched, consolidating the Extra banner as multichannel. In 2012, three Extra Supermercado stores and other six Extra Hiper stores were opened.

**3/21**

---

Minimercado Extra, as mentioned above, concluded the store conversion from the former Extra Fácil format, offering a broader assortment of perishables and services. Considering both new and converted stores, Minimercado Extra ended the year with over 100 stores.

In 2012, Pão de Açúcar expansion was resumed. Furthermore, the banner launched new campaigns – such as “Ofertas da Casa” focusing on cleaning products and as “Momento Feliz: Churrasco” (items related to barbecue) – and straighten its anniversary campaign and differentiation through customer service.

Assaí, which underwent a restructuring process, consolidated in 2012 the changes initiated in the previous year, with adjustments in store layout, assortment and quantity of services for target publics. As of December, GPA Food’s sales area totaled 1,568 thousand square meters. The area growth was 4.8%, or 72.0 thousand square meters, with a total of 55 stores opened, highlighting the growth in Minimercado Extra.

### GPA Consolidated 4Q12 x 4Q11

Gross sales revenue totaled R\$ 16.342 billion in 4Q12, up 8.0% over 4Q11, due to the food retail performance, mentioned above, and the electronics bricks-and-mortar stores performance – highlight to Pontofrio, with a double-digit growth in same-store-sales, partially offset by the slowdown of e-commerce business growth trend due to the fierce competition in the sector. In Nova Pontocom, two new businesses were launched: barateiro.com.br - exclusive website that sells refurbished or minor-damaged products and outlet - and Patiu Viagens - website for booking tickets, packages and other travel-related services.

### GPA Consolidated 2012 x 2011

Gross sales revenue totaled R\$ 57.081 billion, up 8.4% over 2011 due to the growth in Food Retail and Viavarejo.

## Operating Performance

(R\$ million)	GPA Food <i>ex-real estate projects</i>			GPA Food ( <i>ex-real estate projects</i> )					
	4Q12	4Q11	Δ	Retail			Cash and Carry		
				4Q12	4Q11	Δ	4Q12	4Q11	Δ
<b>Net Sales Revenue</b>	7,887	7,206	9.4%	6,480	6,072	6.7%	1,407	1,134	24.1%
<b>Gross Profit</b>	2,119	1,882	12.6%	1,912	1,707	12.0%	207	175	18.2%
<b>Gross Margin</b>	26.9%	26.1%	80 bps	29.5%	28.1%	140 bps	14.7%	15.4%	-70 bps

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

Selling Expenses	(1,168)	(1,016)	14.9%	(1,045)	(916)	14.0%	(123)	(100)	23.1%
General and Administrative Expenses	(240)	(216)	11.1%	(224)	(202)	11.0%	(16)	(14)	12.4%
Equity Income	3	5	-29.4%	3	5	-29.4%	-	-	-
Other Operating Revenue (Expenses)	(25)	(81)	-69.1%	(25)	(81)	-69.6%	(0.3)	0.2	-
<b>Total Operating Expenses</b>	<b>(1,429)</b>	<b>(1,308)</b>	<b>9.2%</b>	<b>(1,290)</b>	<b>(1,194)</b>	<b>8.0%</b>	<b>(139)</b>	<b>(114)</b>	<b>22.2%</b>
<b>% of Net Sales Revenue</b>	<b>18.1%</b>	<b>18.2%</b>	<b>-10 bps</b>	<b>20.0%</b>	<b>19.7%</b>	<b>30 bps</b>	<b>9.9%</b>	<b>10.1%</b>	<b>-20 bps</b>
<b>EBITDA</b>	<b>690</b>	<b>573</b>	<b>20.2%</b>	<b>622</b>	<b>513</b>	<b>21.4%</b>	<b>67</b>	<b>61</b>	<b>10.6%</b>
<b>EBITDA Margin</b>	<b>8.7%</b>	<b>8.0%</b>	<b>70 bps</b>	<b>9.6%</b>	<b>8.4%</b>	<b>120 bps</b>	<b>4.8%</b>	<b>5.4%</b>	<b>-60 bps</b>

As of 4Q12, the result of Equity Income and Other Operating Revenue (Expenses) were included along with the total operating expenses, before EBITDA. Thus, the calculation of EBITDA is in accordance with Instruction number 527, of the Comissão de Valores Mobiliários (CVM), of October 4, 2012.

---



**GPA Food 4Q12 x 4Q11**

EBITDA increased 20.2% to R\$ 690 million, while EBITDA margin was up 70 basis-points to 8.7%.

4 Retail: EBITDA margin increased 120 basis points, due to:

§ Recovery on the gross margin and better sales mix (with higher value added). Seasonal items sales also contributed for margin enhancement;

§ The increase in selling expenses is related to the impact of the labor union wage agreement, which was higher than inflation, granted to employees mainly in September. This increase also impacted the outsourced service expenses (in stores), which were already growing due to the acceleration on store openings in 4Q12 and 1Q13;

4 Cash-and-carry: EBITDA margin declined 60 basis points over 4Q11, to 4.8%, due to:

§ Reduction in the gross margin, due to the adjustments made in 2012 to its target publics - processors, distributors and users - usually more sensitive to price. The new model is based on price competitiveness and strict expenses control. With sales increase, Management expects to drive the return on invested capital up for both the format and the Company.

§ 20 basis-point decrease in operating expenses as percentage of net revenues. The new model has the target to run the operation with a low level of expenses.

(R\$ million)	GPA Food <i>ex-real estate projects</i>			GPA Consolidated <i>ex-real estate projects</i>					
	2012	2011	Δ	4Q12	4Q11	Δ	2012	2011	Δ
<b>Net Sales Revenue</b>	27,926	25,578	9.2%	14,530	13,371	8.7%	50,772	46,594	9.0%
<b>Gross Profit</b>	7,303	6,613	10.4%	4,050	3,740	8.3%	13,651	12,659	7.8%
<b>Gross Margin</b>	26.2%	25.9%	30 bps	27.9%	28.0%	-10 bps	26.9%	27.2%	-30 bps
Selling Expenses	(4,298)	(3,921)	9.6%	(2,230)	(2,195)	1.6%	(8,360)	(7,937)	5.3%
General and Administrative Expenses	(828)	(743)	11.5%	(531)	(450)	17.8%	(1,754)	(1,683)	4.2%

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

Equity Income	11	19	-40.4%	(1)	10	-	11	35	-68.9%
Other Operating Revenue (Expenses)	(49)								