

BRAZILIAN DISTRIBUTION CO COMPANHIA BRASILEIRA DE DISTR CBD

Form 6-K

November 16, 2010

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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 November, 2010

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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**São Paulo, Brazil, November 10, 2010** [Grupo Pão de Açúcar [IBM&FBOVESPA: PCAR5; NYSE: CBD) announces its results for the 3rd quarter of 2010 (3Q10). The Company's operating and financial information was prepared in accordance with the accounting practices adopted in Brazil and Brazilian Corporate Law, and is presented in Brazilian Reais, as follows: (i) on a **consolidated basis**, which includes the full operating and financial results of Sendas Distribuidora and Assaí Atacadista and, as of the third quarter of 2009, Globex Utilidades S.A.; and (ii) on a **GPA Food** basis, which entirely excludes the operating and financial results of Globex Utilidades S.A., pursuant to current Corporate Law (Law 6404). All comparisons are with the third quarter of 2009 (3Q09), except where stated otherwise. The information about the 3Q09 and 9M09 has not been reviewed by the auditors.

#### CONSOLIDATED

**In 3Q10, consolidated gross sales totaled R\$7,939.6 million and EBITDA stood at R\$493.5 million, 41.8% up on 3Q09, with EBITDA margin of 7.0%**

- GPA's consolidated gross sales totaled R\$7,939.6 million in 3Q10, 15.6% up on 3Q09, while net sales came to R\$7,100.4 million, up by 16.6%.
- Consolidated EBITDA reached R\$493.5 million, a 41.8% year-on-year improvement and 24.9% higher than the previous quarter, accompanied by an EBITDA margin of 7.0%.
- The consolidated result of FIC, expressed through equity income, amounted to R\$11.7 million in the quarter.
- Consolidated net income totaled R\$115.1 million. Adjusted net income excluding non-recurring effects reached R\$132.6 million and net margin of 1.9%.

#### GPA FOOD

**Also in 3Q10, GPA Food's gross and net sales grew by 10.0% and 10.1% respectively**

- Gross sales totaled R\$6,219.4 million in 3Q10, while net sales came to R\$5,585.9 million, respective year-on-year growth of 10.0% and 10.1%.
- In same-store(1) terms, gross sales moved up by 7.7%.
- EBITDA stood at R\$416.4 million in absolute terms, a 16.9% improvement over 3Q09, with an EBITDA margin of 7.5%, versus 7.0% in 3Q09.
- Assaí's EBITDA came to R\$25.6 million in 3Q10, a 46.9% year-on-year improvement, with

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- Gross profit came to R\$1,443.9 million, 12.1% higher than in 3Q09, with a gross margin of 25.9%.
- GPA's net income totaled R\$138.0 million. Adjusted net income excluding non-recurring effects reached R\$143.6 million, with a margin of 2.6%.

a margin of 3.5%.

(1) Same-store concept - includes only those stores that have been operational for at least 12 months, therefore including the Ponto Frio stores as of this quarter.

**Financial and Operating Highlights**

|                              | 3Q10         | 3Q09         | Chg.                       | 9M10         | 9M09         | Chg.                       |
|------------------------------|--------------|--------------|----------------------------|--------------|--------------|----------------------------|
|                              | consolidated | consolidated |                            | consolidated | consolidated |                            |
|                              | (inc.        | (inc.        |                            | (inc.        | (inc.        |                            |
|                              | Globex)      | Globex)      |                            | Globex)      | Globex)      |                            |
| (R\$ million) <sup>(1)</sup> |              |              |                            |              |              |                            |
| Gross Sales                  | 7,939.6      | 6,866.3      | 15.6%                      | 23,540.7     | 17,799.0     | 32.3%                      |
| Net Sales                    | 7,100.4      | 6,088.2      | 16.6%                      | 21,051.8     | 15,736.5     | 33.8%                      |
| Gross Profit                 | 1,744.2      | 1,448.3      | 20.4%                      | 5,051.4      | 3,891.9      | 29.8%                      |
| Gross Margin - %             | 24.6%        | 23.8%        | 80<br>bps <sup>(2)</sup>   | 24.0%        | 24.7%        | -70<br>bps <sup>(2)</sup>  |
| Total Operating Expenses     | 1,250.8      | 1,100.2      | 13.7%                      | 3,752.6      | 2,886.5      | 30.0%                      |
| % of Net Sales               | 17.6%        | 18.1%        | -50<br>bps <sup>(2)</sup>  | 17.8%        | 18.3%        | -50<br>bps <sup>(2)</sup>  |
| EBITDA                       | 493.5        | 348.1        | 41.8%                      | 1,298.8      | 1,005.5      | 29.2%                      |
| EBITDA Margin - %            | 7.0%         | 5.7%         | 130<br>bps <sup>(2)</sup>  | 6.2%         | 6.4%         | -20<br>bps <sup>(2)</sup>  |
| Income before Income Tax     | 171.8        | 127.3        | 35.0%                      | 434.7        | 445.4        | -2.4%                      |
| Net Income                   | 115.1        | 164.6        | -30.1%                     | 303.6        | 391.2        | -22.4%                     |
| Net Margin - %               | 1.6%         | 2.7%         | -110<br>bps <sup>(2)</sup> | 1.4%         | 2.5%         | -110<br>bps <sup>(2)</sup> |

(1) Totals may not tally as the figures are rounded off.

(2) basis points

## Sales performance

*Gross sales grew by 10.0% in the quarter*

### GPA FOOD

|                              | 3Q10<br>( exc.<br>Globex) | 3Q09<br>( exc.<br>Globex) | Chg.  | 9M10<br>( exc.<br>Globex) | 9M09<br>( exc.<br>Globex) | Chg.  |
|------------------------------|---------------------------|---------------------------|-------|---------------------------|---------------------------|-------|
| (R\$ million) <sup>(1)</sup> |                           |                           |       |                           |                           |       |
| Gross Sales                  | 6,219.4                   | 5,652.3                   | 10.0% | 18,849.6                  | 16,585.0                  | 13.7% |
| Net Sales                    | 5,585.9                   | 5,074.3                   | 10.1% | 16,943.8                  | 14,722.6                  | 15.1% |

(1) Totals may not tally as the figures are rounded off

**In the third quarter of 2010**, Grupo Pão de Açúcar's gross sales increased by 10.0% over the same period last year to R\$6,219.4 million, while net sales climbed by 10.1% to R\$5,585.9 million.

In same-store terms (i.e. stores that have been operational for at least 12 months), gross sales grew by 7.7%, giving real growth of 3.0% when deflated by the IPCA consumer price index. Net sales recorded nominal growth of 7.8%.

Also on a same-store basis, gross food sales grew by 7.6% in the period, with beverages and personal care & household cleaning products doing particularly well. Non-food sales climbed by 7.8%, led by the general merchandise and textile category, which recorded higher increases than the non-food average.

It is worth noting that same-store non-food sales would have moved up by 13.1% if fuel sales, which fell by 11.6% year-on-year and accounted for 4% of total sales, had been excluded.

The Group's best-performing formats were Assaí and Extra Supermercados, which posted gross same-store sales growth of 19.6% and 24.1% respectively, thanks to a higher customer flow and an increase in the average ticket.

In addition, new strategies to increase the number of products per ticket were implemented in all formats.

**In the first nine months of 2010**, GPA reported gross sales of R\$18,849.6 million and net sales of R\$16,943.8 million, 13.7% and 15.1% up, respectively, on the first nine months of 2009.

In same-store terms, gross sales climbed by 10.4%, giving real growth of 5.2% when deflated by the IPCA, while net sales recorded nominal growth of 11.7%. Sales of food and non-food

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 products increased by 9.6% and 13.1%, respectively.

In 4Q10, the Company reaffirmed its commitment to its GPA Food gross sales guidance of R\$26.0 billion in 2010.

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|                              | <b>3Q10</b>         | <b>3Q09</b>          |             | <b>9M10</b>         | <b>9M09</b>         |             |
|------------------------------|---------------------|----------------------|-------------|---------------------|---------------------|-------------|
|                              | <b>consolidated</b> | <b>consolidated</b>  | <b>Chg.</b> | <b>consolidated</b> | <b>consolidated</b> | <b>Chg.</b> |
|                              | <b>( inc.</b>       |                      |             | <b>( inc.</b>       | <b>( inc.</b>       |             |
|                              | <b>Globex)</b>      | <b>(inc. Globex)</b> |             | <b>Globex)</b>      | <b>Globex)</b>      |             |
| (R\$ million) <sup>(1)</sup> |                     |                      |             |                     |                     |             |
| Gross Sales                  | 7,939.6             | 6,866.3              | 15.6%       | 23,540.7            | 17,799.0            | 32.3%       |
| Net Sales                    | 7,100.4             | 6,088.2              | 16.6%       | 21,051.8            | 15,736.5            | 33.8%       |

(1) Totals may not tally as the figures are rounded off

**In the third quarter**, GPA's consolidated gross sales grew by 15.6% year-on-year to R\$7,939.6 million, while net sales moved up by 16.6% to R\$7,100.4 million.

In same-store terms<sup>(4)</sup>(i.e. stores that have been operational for at least 12 months, therefore including those Ponto Frio stores that meet this criterion as of this quarter), gross sales grew by 12.5%, giving real growth of 7.2% when deflated by the IPCA. Net sales recorded nominal growth of 13.1% year-on-year.

**In the first nine months**, GPA recorded consolidated gross and net sales of R\$23,540.7 million and R\$21,051.8 million, up by 32.3% and 33.8%, respectively, on the same period last year.

GPA's consolidated gross sales guidance for 2010 is R\$33.0 billion and, given the year-to-date results, we expect to reach this target.

(3) Like ABRAS (the Brazilian Supermarket Association), the Company has adopted the IPCA consumer price Index as its inflation indicator, since it gives a more accurate reflection of the Company's product and brand mix.

(4) Ponto Frio's same-store concept includes physical and electronic/wholesale sales.

## Gross Profit

*Gross profit, excluding Globex, came to R\$1,443.9 million, growth of 12.1% in the quarter.*

### GPA FOOD

|                              | 3Q10<br>( exc.<br>Globex) | 3Q09<br>( exc.<br>Globex) | Chg.          | 9M10<br>( exc.<br>Globex) | 9M09<br>( exc.<br>Globex) | Chg.                      |
|------------------------------|---------------------------|---------------------------|---------------|---------------------------|---------------------------|---------------------------|
| (R\$ million) <sup>(1)</sup> |                           |                           |               |                           |                           |                           |
| Gross Profit                 | 1,443.9                   | 1,287.6                   | 12.1%         | 4,248.6                   | 3,731.2                   | 13.9%                     |
| Gross Margin - %             | 25.9%                     | 25.4%                     | 50 bps<br>(2) | 25.1%                     | 25.3%                     | -20<br>bps <sup>(2)</sup> |

(1) Totals may not tally as the figures are rounded off

(2) basis points

**In the third quarter**, GPA's gross profit totaled R\$1,443.9 million, 12.1% up year-on-year, accompanied by a gross margin of 25.9%, up by 50 bps over 3Q09 and also an improvement over the 24.8% recorded in 2Q10. Excluding Assaí, GPA's gross margin would have come to 27.5%, 80 bps higher than 3Q09.

The main factors contributing to the year-on-year improvement were:

(i) more advantageous negotiations with suppliers;

(ii) improved operational management; and

(iii) implementation of a pricing management tool.

**In the first nine months**, gross profit amounted to R\$4,248.6 million, 13.9% up on the same period last year, accompanied by a gross margin of 25.1%, 20 bps less than the 25.3% recorded in 9M09, also impacted by the change in the ICMS tax substitution regime.

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**CONSOLIDATED**

|                              | 3Q10<br>consolidated<br>(inc.<br>Globex) | 3Q09<br>consolidated<br>(inc. Globex) | Chg.                     | 9M10<br>consolidated<br>(inc.<br>Globex) | 9M09<br>consolidated<br>(inc.<br>Globex) | Chg.                      |
|------------------------------|------------------------------------------|---------------------------------------|--------------------------|------------------------------------------|------------------------------------------|---------------------------|
| (R\$ million) <sup>(1)</sup> |                                          |                                       |                          |                                          |                                          |                           |
| Gross Profit                 | 1,744.2                                  | 1,448.3                               | 20.4%                    | 5,051.4                                  | 3,891.9                                  | 29.8%                     |
| Gross Margin - %             | 24.6%                                    | 23.8%                                 | 80<br>bps <sup>(2)</sup> | 24.0%                                    | 24.7%                                    | -70<br>bps <sup>(2)</sup> |

(1) Totals may not tally as the figures are rounded off

(2) basis points

**In the third quarter, consolidated gross profit came to R\$1,744.2 million, with a margin of 24.6%, 80 bps more** than the 23.8% recorded in 3Q09 despite the increased share of electronics/household appliances in the product mix. These items have lower margins than food products.

**In the first nine months, gross profit totaled R\$5,051.4 million, a 29.8% improvement over the first nine months of 2009, while the gross margin stood at 24.0%.**

## Total Operating Expenses

*Operating expenses, excluding Globex, remained stable in the quarter, accounting for 18.4% of net sales*

**GPA FOOD**

|                              | 3Q10<br>(exc.<br>Globex) | 3Q09<br>(exc.<br>Globex) | Chg.                 | 9M10<br>(exc.<br>Globex) | 9M09<br>(exc.<br>Globex) | Chg.                      |
|------------------------------|--------------------------|--------------------------|----------------------|--------------------------|--------------------------|---------------------------|
| (R\$ million) <sup>(1)</sup> |                          |                          |                      |                          |                          |                           |
| Selling Expenses             | 863.2                    | 784.1                    | 10.1%                | 2,601.9                  | 2,296.4                  | 13.3%                     |
| Gen. Adm. Exp.               | 164.4                    | 147.1                    | 11.7%                | 493.4                    | 421.1                    | 17.2%                     |
| Total Operating Expenses     | 1,027.5                  | 931.2                    | 10.3%                | 3,095.3                  | 2,717.5                  | 13.9%                     |
| % of Net Sales               | 18.4%                    | 18.4%                    | 0 bps <sup>(2)</sup> | 18.3%                    | 18.5%                    | -20<br>bps <sup>(2)</sup> |

(1) Totals may not tally as the figures are rounded off

(2) basis points

(3) Reclassification in Selling, General and Administrative Expenses in 2009

The Selling and General and Administrative Expenses lines were reclassified in 2009 in order to allow for better comparisons.

**In the third quarter, total operating expenses (including selling, general and administrative expenses) increased by 10.3% year-on-year to R\$1,027.5 million, chiefly due to four factors:**



- (i) higher personnel and social benefit expenses;
- (ii) increased expenses with advertising and marketing;
- (iii) expenses with technology to support business expansion in the coming years; and
- (iv) opening of new stores

Despite these upturns, GPA managed to maintain operating expenses at 18.4% as a percentage of net sales, same level as presented in 3Q09, which demonstrates dilution of other expenses.

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**In the first nine months**, total operating expenses came to R\$3,095.3 million, 13.9% more than in 9M09, representing 18.3% of net sales, 20 bps less than the 18.5% recorded in the same period last year.

## CONSOLIDATED

|                              | 3Q10<br>consolidated<br>(inc. Globex) | 3Q09<br>consolidated<br>(inc. Globex) | Chg.                      | 9M10<br>consolidated<br>(inc. Globex) | 9M09<br>consolidated<br>(inc. Globex) | Chg.                      |
|------------------------------|---------------------------------------|---------------------------------------|---------------------------|---------------------------------------|---------------------------------------|---------------------------|
| (R\$ million) <sup>(1)</sup> |                                       |                                       |                           |                                       |                                       |                           |
| Selling Expenses             | 1,063.5                               | 943.8                                 | 12.7%                     | 3,180.8                               | 2,456.0                               | 29.5%                     |
| Gen. Adm. Exp.               | 187.3                                 | 156.5                                 | 19.7%                     | 571.8                                 | 430.4                                 | 32.8%                     |
| Total Operating Expenses     | 1,250.8                               | 1,100.2                               | 13.7%                     | 3,752.6                               | 2,886.5                               | 30.0%                     |
| % of Net Sales               | 17.6%                                 | 18.1%                                 | -50<br>bps <sup>(2)</sup> | 17.8%                                 | 18.3%                                 | -50<br>bps <sup>(2)</sup> |

(1) Totals may not tally as the figures are rounded off

(2) basis points

(3) Reclassification in Selling, General and Administrative Expenses in 2009

The Selling and General and Administrative Expenses lines were reclassified in 2009 in order to allow for better comparisons.

**In the third quarter**, operating expenses amounted to R\$1,250.8 million, equivalent to 17.6% of net sales, 50 bps less than in 3Q09.

**In the first nine months**, total operating expenses stood at R\$3,752.6 million, equivalent to 17.8% of net sales, 50 bps down year-on-year.

## EBITDA

*GPA Food's EBITDA margin came to 7.5% in the quarter*

## GPA FOOD

|                              | 3Q10<br>(exc.<br>Globex) | 3Q09<br>(exc.<br>Globex) | Chg.          | 9M10<br>(exc.<br>Globex) | 9M09<br>(exc.<br>Globex) | Chg.                      |
|------------------------------|--------------------------|--------------------------|---------------|--------------------------|--------------------------|---------------------------|
| (R\$ million) <sup>(1)</sup> |                          |                          |               |                          |                          |                           |
| EBITDA                       | 416.4                    | 356.3                    | 16.9%         | 1,153.4                  | 1,013.8                  | 13.8%                     |
| EBITDA Margin - %            | 7.5%                     | 7.0%                     | 50 bps<br>(2) | 6.8%                     | 6.9%                     | -10<br>bps <sup>(2)</sup> |

(1) Totals may not tally as the figures are rounded off

(2) basis points

**In the third quarter**, EBITDA totaled R\$416.4 million, 16.9% up year-on-year, outpacing period sales growth of 10.0% thanks to the increase in gross profit and the expense dilution, as mentioned previously. The EBITDA margin stood at 7.5%, 50 bps up on 3Q09 and the Group's best EBITDA margin of the year.

GPA's EBITDA excluding Assaí came to R\$390.7 million, up by 13.6%, with a margin of 8.1%, 60 bps more than the 7.5% reported in 3Q09.

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Assaí recorded an EBITDA margin of 3.5% in 3Q10, 10 bps more than in 3Q09 (further details in the section on Assaí).

**In the first nine months**, EBITDA totaled R\$1,153.4 million, growth of 13.8%, with a margin of 6.8%, versus 6.9% in 9M09.

#### CONSOLIDATED

|                              | 3Q10<br>consolidated<br>(inc. Globex) | 3Q09<br>consolidated<br>(inc. Globex) | Chg.                      | 9M10<br>consolidated<br>(inc. Globex) | 9M09<br>consolidated<br>(inc. Globex) | Chg.                      |
|------------------------------|---------------------------------------|---------------------------------------|---------------------------|---------------------------------------|---------------------------------------|---------------------------|
| (R\$ million) <sup>(1)</sup> |                                       |                                       |                           |                                       |                                       |                           |
| EBITDA                       | 493.5                                 | 348.1                                 | 41.8%                     | 1,298.8                               | 1,005.5                               | 29.2%                     |
| EBITDA Margin - %            | 7.0%                                  | 5.7%                                  | 130<br>bps <sup>(2)</sup> | 6.2%                                  | 6.4%                                  | -20<br>bps <sup>(2)</sup> |

(1) Totals may not tally as the figures are rounded off

(2) basis points

**In the third quarter**, consolidated EBITDA stood at R\$493.5 million, 41.8% up on 3Q09, with a margin of 7.0%, a 130 bps improvement over 3Q09.

**In the first nine months**, EBITDA amounted to R\$1,298.8 million, with a margin of 6.2%.

The Company is reaffirming its beginning-of-year guidance of exceeding EBITDA of R\$1.8 billion by year-end.

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## Net Financial Result

*Financial result increases due to higher net debt in the period*

### GPA FOOD

|                              | 3Q10<br>(exc.<br>Globex) | 3Q09<br>(exc.<br>Globex) | Chg.   | 9M10<br>(exc.<br>Globex) | 9M09<br>(exc.<br>Globex) | Chg.  |
|------------------------------|--------------------------|--------------------------|--------|--------------------------|--------------------------|-------|
| (R\$ million) <sup>(1)</sup> |                          |                          |        |                          |                          |       |
| Financ. Revenue              | 75.0                     | 66.0                     | 13.7%  | 212.0                    | 186.9                    | 13.4% |
| Financ. Expenses             | (177.1)                  | (113.9)                  | 55.5%  | (483.3)                  | (367.2)                  | 31.6% |
| Net Financial Income         | (102.1)                  | (47.9)                   | 113.0% | (271.3)                  | (180.2)                  | 50.5% |

(1) Totals may not tally as the figures are rounded off

**In the third quarter**, the net financial expense came to R\$102.1 million, equivalent to 1.8% of net sales, chiefly due to the increase in the net debt from R\$597 million in 3Q09 to R\$1,788 million in 3Q10 and the period upturn in the SELIC base rate (see page 7 below, [Net Debt](#))

The net financial expense of R\$102.1 million in 3Q10 was the result of three factors:

(i) interest on the net bank debt totaling R\$54.4 million, representing 1.0% of net sales, 30 bps higher than the 2Q10 ratio, fueled by the period increase in net debt and the SELIC base rate.

(ii) Discounted receivables of R\$28.2 million, equivalent to 0.5% of net sales, in line with the 2Q10 figure, despite the increase in the SELIC base rate. The average term is of 36 days and an average cost of 109.5% of CDI.

(iii) Other assets and liabilities restated by the CDI rate (i.e. taxes paid in installments and court deposits included in the balance sheet), totaling R\$19.5 million, equivalent to 0.3% of net sales.

### Net Debt

Net debt increased, as shown in the graph below, mainly due to: (i) expenditure of R\$598 million on acquisitions, including R\$471 million paid to Globex's shareholders; (ii) investments

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of R\$98 million in the expansion of Assaí; and (iii) a R\$194 million loan with Globex.

(1) end of period

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In the first nine months, the net financial expense was R\$271.3 million, 50.5% higher than the 3Q09 expense.

## CONSOLIDATED

|                              | 3Q10<br>consolidated<br>(inc. Globex) | 3Q09<br>consolidated<br>(inc. Globex) | Chg.   | 9M10<br>consolidated<br>(inc. Globex) | 9M09<br>consolidated<br>(inc. Globex) | Chg.   |
|------------------------------|---------------------------------------|---------------------------------------|--------|---------------------------------------|---------------------------------------|--------|
| (R\$ million) <sup>(1)</sup> |                                       |                                       |        |                                       |                                       |        |
| Financ. Revenue              | 77.4                                  | 69.0                                  | 12.2%  | 221.8                                 | 190.0                                 | 16.7%  |
| Financ. Expenses             | (269.2)                               | (136.4)                               | 97.3%  | (687.0)                               | (389.7)                               | 76.3%  |
| Net Financial Income         | (191.7)                               | (67.4)                                | 184.3% | (465.2)                               | (199.7)                               | 132.9% |

(1) Totals may not tally as the figures are rounded off

**In the third quarter, GPA's consolidated net financial expense was R\$191.7 million, equivalent to 2.7% of net sales.**

It is worth noting the recognition of R\$18.0 million in non-recurring costs from Globex this quarter, due to the change in the criterion for booking the cost of discounted receivables, which are now recognized in the same month as the discount.

Excluding this non-recurring effect, the net financial expense would have been R\$173.7 million, equivalent to 2.4% of net sales.

**In the first nine months,** the net financial expense came to R\$465.2 million, or R\$415.2 million excluding the nonrecurring effect of R\$ 50.0 million in 9M10.

## Equity Income

*FIC's result came to R\$11.7 million in the quarter*

## CONSOLIDATED

Since the third quarter of 2009, FIC (Financeira Itaú CBD) has also been operating Globex's credit cards and, given their respective shareholders' equities, GPA now retains a 36% interest in FIC, excluding Globex, while Globex retains a 14% stake. GPA's consolidated interest in FIC remains at 50%.

**In the third quarter,** FIC, including Globex's operations, accounted for 15.0% of total sales, closing the period with 7.4 million clients. Default remained under control, thanks to a rigorous credit-granting policy.

As a result, FIC's equity income was R\$11.7 million, six times more than the same period a year earlier. Of this total, R\$9.5 million went to GPA and R\$2.3 million to Globex.

This performance was in line with the Group's strategy of increasing the FIC card's share of sales, making it the best payment option in the stores and e-commerce operations, with exclusive benefits and advantages for cardholders.

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**In the first nine months**, equity income, including Globex's operations, totaled R\$36.0 million, of which R\$26.4 million went to GPA and R\$9.6 million to Globex.

## Net Income

*GPA Food's net income totaled R\$138.0 million in 3Q10*

### GPA FOOD

|                                     | 3Q10<br>(exc.<br>Globex) | 3Q09<br>(exc.<br>Globex) | Chg.                       | 9M10<br>(exc.<br>Globex) | 9M09<br>(exc.<br>Globex) | Chg.                      |
|-------------------------------------|--------------------------|--------------------------|----------------------------|--------------------------|--------------------------|---------------------------|
| (R\$ million) <sup>(1)</sup>        |                          |                          |                            |                          |                          |                           |
| <b>Net Income</b>                   | <b>138.0</b>             | <b>206.7</b>             | <b>-33.3%</b>              | <b>349.9</b>             | <b>433.3</b>             | <b>-19.3%</b>             |
| Net Margin - %                      | 2.5%                     | 4.1%                     | -160<br>bps <sup>(2)</sup> | 2.1%                     | 2.9%                     | -90<br>bps <sup>(2)</sup> |
| Tax Installments                    | 2.2                      | -                        | -                          | 72.3                     | -                        | -                         |
| ZBB Restructuring                   | 6.3                      | -                        | -                          | 6.3                      | -                        | -                         |
| Income Tax                          | (2.3)                    | -                        | -                          | (10.4)                   | -                        | -                         |
| Minority Interest                   | (0.6)                    | -                        | -                          | (18.1)                   | -                        | -                         |
| Non-recurring Result <sup>(2)</sup> | -                        | (52.2)                   | -                          | -                        | (52.2)                   | -                         |
| <b>Adjusted Net Income</b>          | <b>143.6</b>             | <b>154.5</b>             | <b>-7.1%</b>               | <b>400.0</b>             | <b>381.1</b>             | <b>4.9%</b>               |
| Adjusted Net Margin - %             | 2.6%                     | 3.0%                     | -40<br>bps <sup>(2)</sup>  | 2.4%                     | 2.6%                     | -20<br>bps <sup>(2)</sup> |

(1) Totals may not tally as the figures are rounded off

(2) basis points

**In the third quarter**, net income came to R\$138.0 million and the net margin stood at 2.5%.

It is worth noting that if we exclude the non-recurring effects in 3Q10 (REFIS complement in Rio de Janeiro of a negative R\$2.2 million and restructuring expenses from the ZBB process totaling a negative R\$6.3 million), the adjusted net income totaled R\$143.6 million.

**In the first nine months**, net income totaled R\$349.9 million, equivalent to 2.1% of net sales. Excluding nonrecurring items in 9M10, net income would have increased by 4.9% to R\$400.0 million.

## CONSOLIDATED

|                                        | 3Q10<br>co nso lid<br>at ed<br>(inc. Glo<br>bex) | 3Q09<br>co nsolid<br>at ed<br>(inc.<br>Globex) | C hg.                      | 9M10<br>co nso lid<br>at ed<br>(inc. Glo<br>bex) | 9M09<br>co nsolid<br>at ed<br>(inc.<br>Globex) | C hg.                      |
|----------------------------------------|--------------------------------------------------|------------------------------------------------|----------------------------|--------------------------------------------------|------------------------------------------------|----------------------------|
| (R\$ million) <sup>(1)</sup>           |                                                  |                                                |                            |                                                  |                                                |                            |
| <b>Net Income</b>                      | <b>115.1</b>                                     | <b>164.6</b>                                   | <b>-30.1%</b>              | <b>303.6</b>                                     | <b>391.2</b>                                   | <b>-22.4%</b>              |
| Net Margin - %                         | 1.6%                                             | 2.7%                                           | -110<br>bps <sup>(2)</sup> | 1.4%                                             | 2.5%                                           | -110<br>bps <sup>(2)</sup> |
| Tax Installments                       | 2.2                                              | -                                              | -                          | 66.7                                             | -                                              | -                          |
| ZBB Restructuring                      | 6.3                                              | -                                              | -                          | 6.3                                              | -                                              | -                          |
| Income Tax                             | (2.3)                                            | -                                              | -                          | (8.5)                                            | -                                              | -                          |
| Minority Interest                      | (0.6)                                            | -                                              | -                          | (18.1)                                           | -                                              | -                          |
| Non-recurring Result <sup>(2)</sup>    | -                                                | (52.2)                                         | -                          | -                                                | (52.2)                                         | -                          |
| Changing in Recognition of Receivables | 11.9                                             | -                                              | -                          | 33.0                                             | -                                              | -                          |
| <b>Adjusted Net Income</b>             | <b>132.6</b>                                     | <b>112.4</b>                                   | <b>18.0%</b>               | <b>383.0</b>                                     | <b>339.0</b>                                   | <b>13.0%</b>               |
| Adjusted Net Margin - %                | 1.9%                                             | 1.8%                                           | 10 bps<br>(2)              | 1.8%                                             | 2.2%                                           | -40 bps<br>(2)             |

(1) Totals may not tally as the figures are rounded off

(2) basis points

**In the third quarter**, consolidated net income stood at R\$115.1 million, accompanied by a net margin of 1.6%, impacted by GPA and Globex's net financial expenses. Excluding non-recurring effects in 3Q10, net income totaled R\$ 132.6 million.

**In the first nine months**, consolidated net income came to R\$303.6 million, equivalent to 1.4% of net sales.

Excluding non-recurring items in 9M10, net income totaled R\$383.0 million.

## Assaí Atacadista

*In the quarter, EBITDA totaled R\$25.6 million, 46.9% up on 3Q09*

**In the third quarter**, Assaí recorded gross sales of R\$816.2 million, including the stores in São Paulo, Ceará, Rio de Janeiro, Pernambuco and Tocantins(6), 47.5% up on 3Q09, fueled by the sales of new channels, organic growth, conversion of stores, and the format's improved operating result. Net sales accompanied the gross sales growth, climbing to R\$736.5 million.

Gross profit totaled R\$108.5 million, with a margin of 14.7%, 10 bps up on 3Q09.

Total operating expenses came to R\$82.9 million, equivalent to 11.3% of net sales, very close to the 3Q09 ratio, but 80 bps down on 2Q10.

EBITDA amounted to R\$25.6 million, 46.9% up on 3Q09, with a margin of 3.5%, i.e. up by 100 bps, evidence of an improved operating performance despite the new stores under maturation.

**In the first nine months** (6), Assaí posted gross sales of R\$2,237.3 million and net sales of R\$2,021.1 million, 49.2% and 49.6% up, respectively, on 9M09.

Gross profit totaled R\$288.0 million, with a margin of 14.2%, 10 bps down on the 14.3% margin recorded in 9M09, due to investments in competitive pricing at the beginning of 2010.

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Total operating expenses came to R\$227.6 million, representing 11.3% of net sales, 90 bps less than the same period last year.

EBITDA stood at R\$60.4 million, 143.9% up year-on-year, with a margin of 3.0%, a 120 bps improvement.

(6) The Tocantins store was included in the figures for all months in 2010.

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## Globex Utilidades S.A.

*In same store terms, gross sales increased by 39.9%*

**In the third quarter, gross sales came to R\$ 1,720.1 million, 41.7% up on the same period in 2009, while net sales grew by 49.3% to R\$ 1,514.5 million.**

**Gross profit** stood at R\$300.3 million, 86.9% up on the same period last year, with a gross margin of 19.8%, a 400 bps improvement.

**Total operating expenses** came to R\$223.2million, representing 14.7% of net sales, a 190 bps reduction compared to the 3Q09.

**EBITDA** was a positive R\$77.1 million, with a margin of 5.1%, versus a negative R\$8.3 million in 3Q09.

The **net financial result** was a negative R\$89.6 million. It is worth noting that, in this quarter, there was a nonrecurring expense of R\$18.0 million due to the change in the criterion for booking the cost of discounted receivables. Excluding this effect, the net financial expense would reach R\$71.6 million, representing 4.7% of net sales.

**Equity income**, considering Globex's 14% interest in FIC, came to R\$2.3 million. This performance was in line with the strategy of increasing the FIC card's share of sales, making it the best payment option in the Group's stores and e-commerce operations, with exclusive benefits and advantages for card-holders.

The **net result** was a loss of R\$18.3 million, a R\$25.9 million improvement over the loss recorded in 3Q09.

Globex's **investments** totaled R\$9.4 million, less than the R\$15.9 million recorded in 3Q09. The reduction was due to the Company's decision to concentrate first on capitalizing the existing assets and maximizing the synergies with Casas Bahia.

## Investments

*GPA invested R\$293.1 million in 3Q10*

### GPA FOOD

**In the third quarter**, GPA invested a total of R\$293.1 million in 3Q10, versus R\$215.7 million in 3Q09.

The main quarterly investments were:

- R\$93.7 million in the opening and construction of new stores and the acquisition of strategic sites;
- R\$110.6 million in store renovations and conversions;

- R\$88.7 million in infrastructure (technology and logistics) and others.
-

**In the first nine months, the Group invested R\$682.5 million, 58.8% more than in 9M09. Investments should reach R\$1.3 billion by year-end.**

In this quarter, ten new stores were opened in the quarter: 2 Extra Supermercado stores, 5 Extra Fácil stores and 2 Assaí stores in São Paulo and 1 Extra Hipermercado in Piauí. In addition, 1 CompreBem store was converted into an Assaí store and 12 CompreBem stores were converted into Extra Supermercado format in São Paulo, 6 Sendas stores were converted into Extra Supermercados in Rio de Janeiro, 1 Extra Hipermercado store was converted into the Assaí format in São Paulo, and 2 Sendas stores were converted into Assaí stores in Rio de Janeiro. It is worth noting that the sales area expanded by 1.0% in 3Q10 and 2.5% in 9M10.

By the end of 2010, GPA expects to record sales area growth of 7.0% over 2009, giving a total sales area of 1.5 million sq.m., which includes the opening of 5 more Extra Hipermercado stores and 9 Assaí stores in 4Q10.

## Dividend Payments

*R\$19.6 million to be paid as dividends in the quarter*

On November 10, 2010, the Board of Directors approved the prepayment of interim dividends of R\$0.08 per class A preferred share and R\$ 0.0727272 per common share. Dividends in 3Q10 will total R\$19.6 million, in accordance with the Company's Dividend Payment Policy, approved by the Board of Directors' Meeting of August 3, 2009.

As for the fourth quarter, after the end of the fiscal year and the approval of the corresponding financial statements, the Company will pay shareholders the minimum mandatory dividends, calculated in accordance with Corporate Law, less the amounts prepaid throughout 2010.

Dividends in relation to the third quarter of 2010 will be paid on December 1, 2010. Shareholders registered as such on November 17, 2010 will be entitled to receive the payment. As of November 18, 2010, shares will be traded ex-dividends until the payment date.

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The following information has not been reviewed by the independent auditors.

Consolidated Income Statement Based on Law 11,638/07 (R\$ thousand)

| Reported                                                                  | 3Q10<br>consolidated<br>(inc. Globex) | 3Q09<br>consolidated<br>(inc. Globex) | %             | 9M10<br>consolidated<br>(inc. Globex) | 9M09<br>consolidated<br>(inc. Globex) | %             |
|---------------------------------------------------------------------------|---------------------------------------|---------------------------------------|---------------|---------------------------------------|---------------------------------------|---------------|
| <b>Gross Sales Revenue</b>                                                | <b>7,939,559</b>                      | <b>6,866,301</b>                      | <b>15.6%</b>  | <b>23,540,650</b>                     | <b>17,798,964</b>                     | <b>32.3%</b>  |
| <b>Net Sales Revenue</b>                                                  | <b>7,100,356</b>                      | <b>6,088,161</b>                      | <b>16.6%</b>  | <b>21,051,753</b>                     | <b>15,736,457</b>                     | <b>33.8%</b>  |
| Cost of Goods Sold                                                        | (5,356,120)                           | (4,639,888)                           | 15.4%         | (16,000,397)                          | (11,844,519)                          | 35.1%         |
| <b>Gross Profit</b>                                                       | <b>1,744,236</b>                      | <b>1,448,271</b>                      | <b>20.4%</b>  | <b>5,051,357</b>                      | <b>3,891,937</b>                      | <b>29.8%</b>  |
| Selling Expenses                                                          | (1,063,505)                           | (943,755)                             | 12.7%         | (3,180,833)                           | (2,456,046)                           | 29.5%         |
| General and Administrative Expenses                                       | (187,267)                             | (156,461)                             | 19.7%         | (571,769)                             | (430,406)                             | 32.8%         |
| <b>Total Operating Expenses</b>                                           | <b>(1,250,773)</b>                    | <b>(1,100,216)</b>                    | <b>13.7%</b>  | <b>(3,752,603)</b>                    | <b>(2,886,453)</b>                    | <b>30.0%</b>  |
| <b>Earnings before interest, taxes, depreciation, amortization-EBITDA</b> | <b>493,463</b>                        | <b>348,055</b>                        | <b>41.8%</b>  | <b>1,298,754</b>                      | <b>1,005,484</b>                      | <b>29.2%</b>  |
| Depreciation                                                              | (128,438)                             | (122,892)                             | 4.5%          | (381,075)                             | (336,407)                             | 13.3%         |
| <b>Earnings before interest and taxes</b>                                 | <b>365,024</b>                        | <b>225,162</b>                        | <b>62.1%</b>  | <b>917,679</b>                        | <b>669,077</b>                        | <b>37.2%</b>  |
| - EBIT                                                                    | 365,024                               | 225,162                               | 62.1%         | 917,679                               | 669,077                               | 37.2%         |
| Financial Revenue                                                         | 77,434                                | 68,986                                | 12.2%         | 221,774                               | 189,982                               | 16.7%         |
| Financial Expenses                                                        | (269,158)                             | (136,413)                             | 97.3%         | (686,958)                             | (389,682)                             | 76.3%         |
| <b>Net Financial Revenue (Expense)</b>                                    | <b>(191,724)</b>                      | <b>(67,427)</b>                       | <b>184.3%</b> | <b>(465,184)</b>                      | <b>(199,700)</b>                      | <b>#####</b>  |
| Equity Income                                                             | 11,740                                | 1,587                                 |               | 35,990                                | 8,884                                 | 305.1%        |
| Result from Permanent Assets                                              | 2,284                                 | (98)                                  | #####         | 3,974                                 | (886)                                 | -548.5%       |
| Nonrecurring Result                                                       | (8,564)                               | (31,425)                              | -72.7%        | (78,660)                              | (31,425)                              | 150.3%        |
| Other Operating Revenue (Expenses)                                        | (6,944)                               | (520)                                 |               | 20,869                                | (520)                                 |               |
| <b>Income Before Income Tax</b>                                           | <b>171,816</b>                        | <b>127,281</b>                        | <b>35.0%</b>  | <b>434,668</b>                        | <b>445,430</b>                        | <b>-2.4%</b>  |
| Income Tax                                                                | (55,002)                              | 64,746                                |               | (135,703)                             | (22,029)                              | 516.0%        |
| <b>Income Before Minority Interest</b>                                    | <b>116,814</b>                        | <b>192,025</b>                        | <b>-39.2%</b> | <b>298,965</b>                        | <b>423,401</b>                        | <b>-29.4%</b> |
| Minority Interest                                                         | 6,674                                 | (25,447)                              |               | 28,218                                | (22,663)                              |               |
| <b>Income Before Profit Sharing</b>                                       | <b>123,489</b>                        | <b>166,580</b>                        | <b>-25.9%</b> | <b>327,182</b>                        | <b>400,737</b>                        | <b>-18.4%</b> |
| Employees' Profit Sharing                                                 | (8,383)                               | (2,008)                               | 317.5%        | (23,582)                              | (9,580)                               | 146.2%        |
| <b>Net Income</b>                                                         | <b>115,106</b>                        | <b>164,572</b>                        | <b>-30.1%</b> | <b>303,600</b>                        | <b>391,158</b>                        | <b>-22.4%</b> |
| Net Income per share                                                      | 0.4474                                | 0.6475                                |               | 1.1800                                | 1.5391                                |               |
| # of shares ('000) - ex shares in treasury                                | 257,288                               | 254,148                               |               | 257,288                               | 254,148                               |               |



| <b>% of Net Sales</b>                       | <b>3Q10</b>   | <b>3Q09</b>   | <b>9M10</b>   | <b>9M09</b>   |
|---------------------------------------------|---------------|---------------|---------------|---------------|
| <b>Gross Profit</b>                         | <b>24.6%</b>  | <b>23.8%</b>  | <b>24.0%</b>  | <b>24.7%</b>  |
| Selling Expenses                            | -15.0%        | -15.5%        | -15.1%        | -15.6%        |
| General and Administrative Expenses         | -2.6%         | -2.6%         | -2.7%         | -2.7%         |
| <b>Total Operating Expenses</b>             | <b>-17.6%</b> | <b>-18.1%</b> | <b>-17.8%</b> | <b>-18.3%</b> |
| <b>EBITDA</b>                               | <b>7.0%</b>   | <b>5.7%</b>   | <b>6.2%</b>   | <b>6.4%</b>   |
| Depreciation                                | -1.8%         | -2.0%         | -1.8%         | -2.1%         |
| <b>EBIT</b>                                 | <b>5.1%</b>   | <b>3.7%</b>   | <b>4.4%</b>   | <b>4.3%</b>   |
| Net Financial Income (Expenses)             | -2.7%         | -1.1%         | -2.2%         | -1.3%         |
| Result from Permanent Assets                | 0.0%          | 0.0%          | 0.0%          | 0.0%          |
| Other Operating Revenue (Expenses)          | -0.1%         | -0.5%         | -0.4%         | -0.2%         |
| <b>Income Before Income Tax</b>             | <b>2.4%</b>   | <b>2.1%</b>   | <b>2.1%</b>   | <b>2.8%</b>   |
| Income Tax                                  | -0.8%         | 1.1%          | -0.6%         | -0.1%         |
| Minority Interest/Employees' Profit Sharing | 0.0%          | -0.5%         | 0.0%          | -0.2%         |
| <b>Net Income</b>                           | <b>1.6%</b>   | <b>2.7%</b>   | <b>1.4%</b>   | <b>2.5%</b>   |

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## Consolidated Balance Sheet Based on Law 11,638/07 (R\$ thousand)

| ASSETS                                      | September 30          |                       | June 30               |                       |
|---------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                                             | 2010<br>(inc. Globex) | 2010<br>(exc. Globex) | 2010<br>(inc. Globex) | 2010<br>(exc. Globex) |
| <b>Current Assets</b>                       | <b>8,705,954</b>      | <b>7,293,347</b>      | <b>8,253,615</b>      | <b>6,809,590</b>      |
| Cash and banks                              | 265,687               | 184,842               | 226,538               | 201,886               |
| Marketable Securities                       | 1,862,348             | 1,829,537             | 1,541,662             | 1,507,958             |
| Accounts Receivable                         | 556,365               | 434,280               | 827,936               | 674,256               |
| Credit Sales with post-dated checks         | 6,532                 | 6,532                 | 7,192                 | 7,192                 |
| Credit Cards                                | 353,515               | 291,316               | 643,479               | 540,935               |
| Sales Vouchers                              | 17,795                | 17,795                | 28,968                | 28,968                |
| Others                                      | 198,335               | 126,136               | 166,112               | 104,318               |
| Allowance for Doubtful Accounts             | (19,811)              | (7,498)               | (17,815)              | (7,157)               |
| Resulting from Commercial Agreements        | 407,045               | 407,045               | 255,360               | 255,360               |
| Accounts Receivables (FIDC)                 | 1,183,000             | 1,183,000             | 1,151,649             | 1,151,649             |
| Inventories                                 | 3,016,278             | 2,283,837             | 2,816,066             | 2,084,975             |
| Recoverable Taxes                           | 727,562               | 469,564               | 705,113               | 450,128               |
| Deferred Income Tax and Social Contribution | 228,788               | 197,541               | 196,541               | 165,294               |
| Related Parties                             | -                     | -                     | -                     | -                     |
| Other Accounts Receivable                   | 96,240                | -                     | 136,253               | -                     |
| Prepaid Expenses                            | 185,534               | 151,042               | 229,594               | 182,593               |
| Others                                      | 177,107               | 152,658               | 166,904               | 135,492               |
| <b>Noncurrent Assets</b>                    | <b>9,902,511</b>      | <b>9,631,535</b>      | <b>9,672,580</b>      | <b>9,472,871</b>      |
| <b>Long-Term Assets</b>                     | <b>2,549,774</b>      | <b>1,937,827</b>      | <b>2,543,648</b>      | <b>1,981,325</b>      |
| Trade Accounts Receivable                   | 468,869               | 450,311               | 442,527               | 442,527               |
| Recoverable Taxes                           | 208,795               | 129,840               | 191,553               | 116,022               |
| Deferred Income Tax and Social Contribution | 1,041,255             | 540,584               | 1,106,956             | 608,444               |
| Amounts Receivable from Related Parties     | 289,337               | 372,727               | 294,612               | 414,169               |
| Judicial Deposits                           | 523,626               | 429,921               | 472,628               | 383,001               |
| Expenses in Advance and Others              | 17,891                | 14,443                | 35,371                | 17,162                |
| Investments                                 | 249,383               | 815,723               | 237,643               | 830,298               |
| Property and Equipment                      | 5,650,599             | 5,478,782             | 5,437,575             | 5,260,968             |
| Intangible Assets                           | 1,452,755             | 1,399,202             | 1,453,715             | 1,400,280             |

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| TOTAL ASSETS                           | 18,608,465            | 16,924,882            | 17,926,195            | 16,282,460            |
|----------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                                        | September 30          |                       | June 30               |                       |
| LIABILITIES                            | 2010<br>(inc. Globex) | 2010<br>(exc. Globex) | 2010<br>(inc. Globex) | 2010<br>(exc. Globex) |
| <b>Current Liabilities</b>             | <b>5,903,834</b>      | <b>4,682,633</b>      | <b>5,856,276</b>      | <b>4,599,030</b>      |
| Suppliers                              | 3,274,124             | 2,441,862             | 3,263,749             | 2,397,250             |
| Loans and Financing                    | 825,946               | 779,326               | 810,444               | 749,635               |
| Debentures                             | 491,204               | 491,204               | 502,964               | 502,964               |
| Payroll and Related Charges            | 400,164               | 341,176               | 364,994               | 269,003               |
| Taxes and Social Contribution Payable  | 185,350               | 123,689               | 282,533               | 155,564               |
| Dividends Proposed                     | 2,981                 | 1,348                 | 3,349                 | 1,674                 |
| Financing for Purchase of Fixed Assets | 14,211                | 14,211                | 14,212                | 14,212                |
| Rents                                  | 64,168                | 51,696                | 47,913                | 47,913                |
| Recallable Fund Quotas (FIDC)          | -                     | -                     | -                     | -                     |
| Acquisition of Companies               | 173,078               | 173,063               | 174,832               | 174,832               |
| Debt with Related Parties              | 94,332                | 13,977                | 36,892                | 13,867                |
| Advertisement                          | 25,160                | 25,160                | 45,825                | 45,825                |
| Provision fo Restructuring             | 1,595                 | -                     | 10,135                | -                     |
| Adiantamento de clientes               | 19,769                | -                     | 17,860                | -                     |
| Tax Installments                       | 54,072                | 52,439                | 52,054                | 52,054                |
| Others                                 | 277,680               | 173,482               | 228,518               | 174,235               |
| <b>Long-Term Liabilities</b>           | <b>5,764,064</b>      | <b>5,306,491</b>      | <b>5,226,008</b>      | <b>4,844,625</b>      |
| Loans and Financing                    | 1,760,845             | 1,480,011             | 1,272,566             | 987,134               |
| Recallable Fund Quotas (FIDC)          | 1,158,923             | 1,158,923             | 1,126,675             | 1,126,675             |
| Debentures                             | 1,051,519             | 1,051,519             | 1,035,695             | 1,035,695             |
| Tax Installments                       | 1,313,313             | 1,264,800             | 1,294,751             | 1,249,965             |
| Provision for Contingencies            | 297,295               | 187,414               | 284,237               | 170,640               |
| Debt with Related Parties              | -                     | -                     | 137,455               | 85,139                |
| Advanced Revenue                       | 11,057                | -                     | 13,331                | -                     |
| Others                                 | 171,112               | 163,826               | 61,298                | 189,377               |
| <b>Minority Interest</b>               | <b>61,814</b>         | <b>57,004</b>         | <b>68,561</b>         | <b>63,455</b>         |
| <b>Shareholders' Equity</b>            | <b>6,878,754</b>      | <b>6,878,754</b>      | <b>6,775,350</b>      | <b>6,775,350</b>      |
| Capital                                | 5,574,379             | 5,574,379             | 5,573,438             | 5,573,438             |
| Capital Reserves                       | 448,729               | 448,729               | 441,782               | 441,782               |
| Profit Reserves                        | 855,646               | 855,646               | 760,129               | 760,129               |

|                          |                   |                   |                   |                   |
|--------------------------|-------------------|-------------------|-------------------|-------------------|
| <b>TOTAL LIABILITIES</b> | <b>18,608,465</b> | <b>16,924,882</b> | <b>17,926,195</b> | <b>16,282,460</b> |
|--------------------------|-------------------|-------------------|-------------------|-------------------|

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## Consolidated Cash Flow - Based on Law 11,638/07 (R\$ thousand)

| Cash Flow from Operating Activities                           | September 30          |                       |
|---------------------------------------------------------------|-----------------------|-----------------------|
|                                                               | 2010<br>(inc. Globex) | 2009<br>(inc. Globex) |
| Net Income for the Period                                     | 303,600               | 397,633               |
| Adjustment to reconcile net income                            |                       |                       |
| Deferred Income Tax                                           | 107,093               | -13,395               |
| Residual Value of Permanent Asset Disposals                   | 41,805                | -117                  |
| Depreciation and Amortization                                 | 381,075               | 336,446               |
| Interest and Monetary Variation                               | 192,346               | 323,260               |
| Adjustment to present value                                   | 97,041                | -2,915                |
| Equity Income Results                                         | (35,990)              | -8,884                |
| Provision for Contingencies                                   | 67,656                | 54,567                |
| Provision for Fixed Assets Write-off and Losses               | (46,005)              | 1,562                 |
| Provision for Amortization of Goodwill                        | -                     | -                     |
| Compensation in Shares                                        | 20,219                | 18,507                |
| Minoritary Interest                                           | (28,218)              | 22,829                |
|                                                               | <b>1,100,622</b>      | <b>1,129,493</b>      |
| <b>(Increase) Decrease in Assets</b>                          |                       |                       |
| Accounts Receivable                                           | 115,207               | 74,655                |
| Inventories                                                   | (192,733)             | -465,557              |
| Recoverable Taxes                                             | (255,629)             | 357,196               |
| Other Assets                                                  | (113,074)             | -2,899                |
| Related Parties                                               | 39,363                | 15,469                |
| Judicial Deposits                                             | (89,033)              | -60,645               |
|                                                               | <b>-495,899</b>       | <b>-81,781</b>        |
| <b>(Increase) Decrease in Liabilities</b>                     |                       |                       |
| Suppliers                                                     | (742,498)             | 110,919               |
| Payroll and Related Charges                                   | (28,154)              | 122,332               |
| Income Tax and Social Contribution Payable                    | (21,931)              | 1,099,344             |
| Contingencies                                                 | (60,638)              | -1,145,889            |
| Other Accounts Payable                                        | (15,789)              | -84,487               |
|                                                               | <b>-869,010</b>       | <b>102,219</b>        |
| <b>Net Cash Flow Generated (Used) in Operating Activities</b> | <b>-264,287</b>       | <b>1,149,931</b>      |

| Net Cash from Investing activities | September 30          |                       |
|------------------------------------|-----------------------|-----------------------|
|                                    | 2010<br>(inc. Globex) | 2009<br>(inc. Globex) |

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|                                                                  |                 |                   |
|------------------------------------------------------------------|-----------------|-------------------|
| Cash, net of Acquisitions                                        | -               | 82,765            |
| Acquisition of Companies                                         | (28,553)        | -698,305          |
| Acquisition of Capital at Subsidiaries                           | (971)           | -16,277           |
| Acquisition of Property and Equipment                            | (758,814)       | -395,615          |
| Increase in Intangible Assets                                    | (33,579)        | -37,645           |
| Sales of Property and Equipment                                  | 6,883           | 2,833             |
| <b>Net Cash Flow Generated (Used) in Investing Activities</b>    | <b>-815,034</b> | <b>-1,062,244</b> |
| <b>Cash Flow from Financing Activities</b>                       |                 |                   |
| Capital Increase                                                 | 30,240          | 663,747           |
| <b>Increase of Minority Interest</b>                             | -               | -                 |
| Financing                                                        | -               | -                 |
| Funding and Refinancing                                          | 1,362,030       | 252,268           |
| Payments                                                         | (291,016)       | -266,244          |
| Payment of Interest                                              | (106,466)       | -110,677          |
| Payment of dividends                                             | (131,632)       | -98,690           |
| <b>Net Cash Flow Generated (Used) in Financing Activities</b>    | <b>863,156</b>  | <b>440,404</b>    |
| Cash, Banks and Marketable Securities at beginning of the period | 2,344,200       | 1,625,612         |
| Cash, Banks and Marketable Securities at end of the period       | 2,128,035       | 2,153,703         |
| <b>Changes in cash and cash equivalent</b>                       | <b>-216,165</b> | <b>528,091</b>    |

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## Breakdown of Gross Sales by Format (R\$ thousand)

| 1 <sup>st</sup> Half          | 2010              | %             | 2009              | %             | Var.(%)        |
|-------------------------------|-------------------|---------------|-------------------|---------------|----------------|
| Pão de Açúcar                 | 2,308,844         | 14.8%         | 2,027,815         | 18.5%         | 13.9%          |
| Extra(1)(4)                   | 6,311,891         | 40.5%         | 5,489,982         | 50.2%         | 15.0%          |
| CompreBem                     | 1,389,530         | 8.9%          | 1,374,412         | 12.6%         | 1.1%           |
| Extra Eletro                  | 247,827           | 1.6%          | 200,912           | 1.8%          | 23.4%          |
| Sendas(2)                     | 951,064           | 6.1%          | 893,880           | 8.2%          | 6.4%           |
| Assai                         | 1,421,073         | 9.1%          | 945,662           | 8.6%          | 50.3%          |
| Ponto Frio(3)(4)              | 2,970,862         | 19.0%         | -                 | -             | -              |
| <b>Grupo Pão de Açúcar</b>    | <b>15,601,091</b> | <b>100.0%</b> | <b>10,932,663</b> | <b>100.0%</b> | <b>42.7%</b>   |
| GPA ex Ponto Frio             | <b>12,630,229</b> | -             | <b>10,932,663</b> | <b>100.0%</b> | <b>15.5%</b>   |
| <b>3<sup>rd</sup> Quarter</b> | <b>2010</b>       | <b>%</b>      | <b>2009</b>       | <b>%</b>      | <b>Var.(%)</b> |
| Pão de Açúcar                 | 1,148,142         | 14.5%         | 1,047,610         | 15.3%         | 9.6%           |
| Extra( 1 ) ( 4 )              | 3,096,612         | 39.0%         | 2,848,103         | 41.5%         | 8.7%           |
| CompreBem                     | 630,262           | 7.9%          | 667,695           | 9.7%          | -5.6%          |
| Extra Eletro                  | 116,156           | 1.5%          | 107,536           | 1.6%          | 8.0%           |
| Sendas(2)                     | 411,885           | 5.2%          | 427,876           | 6.2%          | -3.7%          |
| Assai                         | 816,356           | 10.3%         | 553,521           | 8.1%          | 47.5%          |
| Ponto Frio( 3 ) ( 4 )         | 1,720,147         | 21.7%         | 1,213,959         | 17.7%         | 41.7%          |
| <b>Grupo Pão de Açúcar</b>    | <b>7,939,559</b>  | <b>100.0%</b> | <b>6,866,301</b>  | <b>100.0%</b> | <b>15.6%</b>   |
| GPA ex Ponto Frio             | <b>6,219,412</b>  | -             | <b>5,652,342</b>  | -             | <b>10.0%</b>   |
| <b>9 Months</b>               | <b>2010</b>       | <b>%</b>      | <b>2009</b>       | <b>%</b>      | <b>Var.(%)</b> |
| Pão de Açúcar                 | 3,456,986         | 14.7%         | 3,075,425         | 17.3%         | 12.4%          |
| Extra( 1 ) ( 4 )              | 9,408,504         | 40.0%         | 8,338,086         | 46.8%         | 12.8%          |
| CompreBem                     | 2,019,791         | 8.6%          | 2,042,107         | 11.5%         | -1.1%          |
| Extra Eletro                  | 363,982           | 1.5%          | 308,448           | 1.7%          | 18.0%          |
| Sendas(2)                     | 1,362,949         | 5.8%          | 1,321,756         | 7.4%          | 3.1%           |
| Assai                         | 2,237,430         | 9.5%          | 1,499,183         | 8.4%          | 49.2%          |
| Ponto Frio( 3 ) ( 4 )         | 4,691,009         | 19.9%         | 1,213,959         | 6.8%          | 286.4%         |
| <b>Grupo Pão de Açúcar</b>    | <b>23,540,651</b> | <b>100.0%</b> | <b>17,798,964</b> | <b>100.0%</b> | <b>32.3%</b>   |
| GPA ex Ponto Frio             | <b>18,849,642</b> | -             | <b>16,585,005</b> | -             | <b>13.7%</b>   |

(1)Includes Extra Fácil and Extra Perto sales

(2)Sendas stores which are part of Sendas Distribuidora S/A

(3)Ponto Frio sales as of 3Q09

(4)As of 2Q10, Extra.com.br sales are included in Globex operations





## Breakdown of Net Sales by Format (R\$ thousand)

| 1 <sup>st</sup> Half          | 2010              | %             | 2009              | %             | Var.(%)        |
|-------------------------------|-------------------|---------------|-------------------|---------------|----------------|
| Pão de Açúcar                 | 2,082,736         | 14.9%         | 1,805,418         | 18.7%         | 15.4%          |
| Extra(1)(4)                   | 5,636,460         | 40.4%         | 4,800,684         | 49.8%         | 17.4%          |
| CompreBem                     | 1,286,195         | 9.2%          | 1,244,518         | 12.9%         | 3.3%           |
| Extra Eletro                  | 229,222           | 1.6%          | 163,597           | 1.7%          | 40.1%          |
| Sendas(2)                     | 838,698           | 6.0%          | 786,187           | 8.1%          | 6.7%           |
| Assai                         | 1,284,598         | 9.2%          | 847,893           | 8.8%          | 51.5%          |
| Ponto Frio(3)(4)              | 2,593,488         | 18.6%         |                   |               |                |
| <b>Grupo Pão de Açúcar</b>    | <b>13,951,397</b> | <b>100.0%</b> | <b>9,648,296</b>  | <b>100.0%</b> | <b>44.6%</b>   |
| GPA ex Ponto Frio             | <b>11,357,909</b> | -             | <b>9,648,296</b>  | <b>100.0%</b> | <b>17.7%</b>   |
| <b>3<sup>rd</sup> Quarter</b> | <b>2010</b>       | <b>%</b>      | <b>2009</b>       | <b>%</b>      | <b>Var.(%)</b> |
| Pão de Açúcar                 | 1,032,590         | 14.5%         | 940,922           | 15.5%         | 9.7%           |
| Extra(1)(4)                   | 2,764,231         | 38.9%         | 2,544,224         | 41.8%         | 8.6%           |
| CompreBem                     | 582,625           | 8.2%          | 613,891           | 10.1%         | -5.1%          |
| Extra Eletro                  | 107,746           | 1.5%          | 99,346            | 1.6%          | 8.5%           |
| Sendas(2)                     | 361,989           | 5.1%          | 373,054           | 6.1%          | -3.0%          |
| Assai                         | 736,688           | 10.4%         | 502,826           | 8.3%          | 46.5%          |
| Ponto Frio(3)(4)              | 1,514,486         | 21.3%         | 1,014,498         | 16.7%         | 49.3%          |
| <b>Grupo Pão de Açúcar</b>    | <b>7,100,356</b>  | <b>100.0%</b> | <b>6,088,760</b>  | <b>100.0%</b> | <b>16.6%</b>   |
| GPA ex Ponto Frio             | <b>5,585,869</b>  | -             | <b>5,074,262</b>  | -             | <b>10.1%</b>   |
| <b>9 Months</b>               | <b>2010</b>       | <b>%</b>      | <b>2009</b>       | <b>%</b>      | <b>Var.(%)</b> |
| Pão de Açúcar                 | 3,115,327         | 14.8%         | 2,746,340         | 17.5%         | 13.4%          |
| Extra(1)(4)                   | 8,400,692         | 39.9%         | 7,344,908         | 46.7%         | 14.4%          |
| CompreBem                     | 1,868,820         | 8.9%          | 1,858,409         | 11.8%         | 0.6%           |
| Extra Eletro                  | 336,967           | 1.6%          | 262,943           | 1.7%          | 28.2%          |
| Sendas(2)                     | 1,200,687         | 5.7%          | 1,159,240         | 7.4%          | 3.6%           |
| Assai                         | 2,021,286         | 9.6%          | 1,350,718         | 8.6%          | 49.6%          |
| Ponto Frio(3)(4)              | 4,107,974         | 19.5%         | 1,014,498         | 6.4%          | 304.9%         |
| <b>Grupo Pão de Açúcar</b>    | <b>21,051,753</b> | <b>100.0%</b> | <b>15,737,057</b> | <b>100.0%</b> | <b>33.8%</b>   |
| GPA ex Ponto Frio             | <b>16,943,779</b> | -             | <b>14,722,559</b> | -             | <b>15.1%</b>   |

(1)Includes Extra Fácil and Extra Perto sales

(2)Sendas stores which are part of Sendas Distribuidora S/A

(3)Ponto Frio sales as of 3Q09

(4)As of 2Q10, Extra.com.br sales are included in Globex operations



## Sales Breakdown (% of Net Sales)

|                   | 2010                                                     |                                           | 2009                                                     |                                           |
|-------------------|----------------------------------------------------------|-------------------------------------------|----------------------------------------------------------|-------------------------------------------|
|                   | 3 <sup>rd</sup> Quarter<br>Consolidated<br>(inc. Globex) | 9 Months<br>Consolidated<br>(inc. Globex) | 3 <sup>rd</sup> Quarter<br>Consolidated<br>(inc. Globex) | 9 Months<br>Consolidated<br>(inc. Globex) |
| Cash              | 46.7%                                                    | 46.5%                                     | 47.6%                                                    | 48.9%                                     |
| Credit Card       | 46.3%                                                    | 46.3%                                     | 44.4%                                                    | 42.1%                                     |
| Food Voucher      | 6.4%                                                     | 6.5%                                      | 6.7%                                                     | 8.0%                                      |
| Credit            | 0.6%                                                     | 0.7%                                      | 1.3%                                                     | 1.0%                                      |
| Post-dated Checks | 0.2%                                                     | 0.2%                                      | 0.8%                                                     | 0.8%                                      |
| Installment Sales | 0.4%                                                     | 0.5%                                      | 0.5%                                                     | 0.3%                                      |

|                   | 2010                                     |                           | 2009                                     |                           |
|-------------------|------------------------------------------|---------------------------|------------------------------------------|---------------------------|
|                   | 3 <sup>rd</sup> Quarter<br>(exc. Globex) | 9 Months<br>(exc. Globex) | 3 <sup>rd</sup> Quarter<br>(exc. Globex) | 9 Months<br>(exc. Globex) |
| Cash              | 50.7%                                    | 49.9%                     | 48.9%                                    | 49.1%                     |
| Credit Card       | 40.9%                                    | 41.7%                     | 42.2%                                    | 41.7%                     |
| Food Voucher      | 8.1%                                     | 8.1%                      | 8.1%                                     | 8.3%                      |
| Credit            | 0.2%                                     | 0.3%                      | 0.9%                                     | 0.8%                      |
| Post-dated Checks | 0.2%                                     | 0.3%                      | 0.9%                                     | 0.8%                      |
| Installment Sales | 0.0%                                     | 0.0%                      | 0.0%                                     | 0.1%                      |

## Stores Openings / Closings / Conversions per Format

|            | Pão de<br>Açúcar | Extra<br>Hiper | Extra-<br>Eletro | Compre<br>Bem | Sendas | Extra<br>Super | Extra<br>Fácil | Assaí | Ponto<br>Frio | Grupo<br>Pão de<br>Açúcar | Sales<br>Area<br>(m <sup>2</sup> ) | Number of<br>Employees |
|------------|------------------|----------------|------------------|---------------|--------|----------------|----------------|-------|---------------|---------------------------|------------------------------------|------------------------|
| 06/30/2009 | 145              | 102            | 47               | 163           | 71     | 5              | 47             | 34    | 455           | 1,069                     | 1,713,919                          | 80,679                 |
| 12/31/2009 | 145              | 103            | 47               | 157           | 68     | 13             | 52             | 40    | 455           | 1,080                     | 1,744,653                          | 85,244                 |
| Opened     |                  | 1              |                  |               |        |                | 9              | 1     |               | 11                        |                                    |                        |
| Closed     |                  |                |                  | -1            | -1     |                |                |       |               | -2                        |                                    |                        |
| *Converted |                  |                |                  | -1            |        |                |                | 1     |               | -                         |                                    |                        |
| 03/31/2010 | 145              | 104            | 47               | 155           | 67     | 13             | 61             | 42    | 455           | 1,089                     | 1,755,298                          | 84,468                 |

|            |     |     |    |     |    |    |    |    |     |       |           |        |
|------------|-----|-----|----|-----|----|----|----|----|-----|-------|-----------|--------|
| Opened     | 1   | 1   |    |     |    |    | 8  | 1  | 2   | 13    |           |        |
| Closed     |     |     |    |     |    |    |    |    |     | -     |           |        |
| *Converted |     |     |    | -2  | 2  |    |    |    |     | -     |           |        |
| 06/30/2010 | 146 | 105 | 47 | 153 | 67 | 15 | 69 | 43 | 457 | 1,102 | 1,767,133 | 87,489 |
| Opened     |     | 1   |    |     |    | 2  | 5  | 2  |     | 10    |           |        |
| Closed     |     |     |    |     |    |    |    |    |     | -     |           |        |
| *Converted |     | -1  |    | -10 | -8 | 16 |    | 3  |     | -     |           |        |
| 09/30/2010 | 146 | 105 | 47 | 143 | 59 | 33 | 74 | 48 | 457 | 1,112 | 1,781,606 | 88,066 |

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**3Q10 Results Conference Call**  
**Thursday, November 11, 2010**

Conference Call in Portuguese with simultaneous translation into English: 12:00 p.m. Brasília time | 9:00 a.m. New York time Dial in: +55 (11) 3301 3000 Code: GPA

A live webcast is available on the Company's site: [www.grupopaodeacucar.com.br/ir/gpa](http://www.grupopaodeacucar.com.br/ir/gpa). The replay can be accessed after the end of the Call by dialing +55 (11) 3127 4999 Code: 48119589

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Website: [www.grupopaodeacucar.com.br/ir/gpa](http://www.grupopaodeacucar.com.br/ir/gpa)

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

Grupo Pão de Açúcar operates 1,112 stores, 80 gas stations and 153 drugstores in 19 states and the Federal District. The Group's multi-format structure comprises supermarkets (**Pão de Açúcar**, **Extra Supermercado**, **CompreBem** and **Sendas**), hypermarkets (**Extra**), electronics/household appliance stores (**Ponto Frio** and **Extra Eletro**), convenience stores (**Extra Fácil**), atacarejo (wholesale/retail) (**Assaí**), and e-commerce operations (**Extra.com.br**, **Pão de Açúcar Delivery** and **PontoFrio.com.br**), **gas stations** and **drugstores**, as well as an extensive distribution network. Thanks to the recent association with Casas Bahia, the Group will add around 519 more points of sale and an e-commerce site ([www.casasbahia.com.br](http://www.casasbahia.com.br)). In 2009, the Group recorded gross sales of R\$ 26.2 billion thanks to differentiated customer service and strong positioning in the country's leading markets.

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**SIGNATURES**

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

COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Date: November 16, 2010

By: /s/ Enéas César Pestana Neto  
Name: Enéas César Pestana Neto  
Title: Chief Executive Officer

By: /s/ Vitor Fagá de Almeida  
Name: Vitor Fagá de Almeida  
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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