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 _X_ Form 40-F___

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

Yes ___ No _X_

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

Yes ___ No _X_

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

Yes ___ No _X_

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

Companhia Brasileira de Distribuição

Financial Statements for the Year Ended December 31, 2012 and

Independent Auditor´s Report on Financial Statements

Deloitte Touche Tohmatsu Auditores Independentes

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

INDEPENDENT AUDITOR’S REPORT ON FINANCIAL STATEMENTS

To the Shareholders, Board of Directors and Management of

Companhia Brasileira de Distribuição

São Paulo - SP

We have audited the accompanying individual and consolidated financial statements of Companhia Brasileira de Distribuição (the “Company”), identified as Parent Company and Consolidated, respectively, which comprise the balance sheet as of December 31, 2012, and the related statements of income, comprehensive income, changes in shareholder’s equity and cash flows for the year then ended, and a summary of significant accounting practices and other explanatory information.

Management’s responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these individual financial statements in accordance with accounting practices adopted in Brazil and the consolidated financial statements in accordance with International Financial Reporting Standards - IFRSs, issued by the International Accounting Standards Board - IASB, and in accordance with accounting practices adopted in Brazil, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Brazilian and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Deloitte Touche Tohmatsu

Opinion on the individual financial statements

In our opinion, the individual financial statements present fairly, in all material respects, the financial position of Companhia Brasileira de Distribuição as of December 31, 2012, and its financial performance and its cash flows for the year then ended, in accordance with accounting practices adopted in Brazil.

Opinion on the consolidated financial statements

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Companhia Brasileira de Distribuição as of December 31, 2012, and its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with IFRSs issued by IASB and accounting practices adopted in Brazil.

Emphasis of matter

As described in note 2, the individual financial statements were prepared in accordance with accounting practices adopted in Brazil. In the case of the Company, these practices differ from IFRSs, applicable to separate financial statements, only in relation to the valuation of investments in subsidiaries, associates and jointly controlled entities by the equity method, while for IFRSs purposes should be cost or fair value. Our opinion is not qualified under this matter.

Other matters

Statements of value added

We have also audited the individual and consolidated statements of value added ("DVA") for the year ended December 31, 2012, prepared under the responsibility of the Company's Management, the presentation of which is required by the Brazilian Corporate Law for publicly-traded companies, and as supplemental information for IFRSs, that do not require the presentation of DVA. These statements were subject to the same audit procedures described above and, in our opinion, are fairly presented, in all material respects, in relation to the financial statements taken as a whole.

Audit of individual and consolidated financial statements for the year ended December 31, 2011

The amounts for the year ended December 31, 2011, presented for comparison purposes, were previously audited by other independent auditors, who issued an unqualified report dated February 16, 2012.

Deloitte Touche Tohmatsu

As part of our audit of the individual and consolidated financial statements of 2012, we also audited the adjustments described in note 2, which were recorded to amend the individual and consolidated financial statements of 2011. In our opinion, such adjustments are appropriate and have been properly recorded. We were not engaged to audit, review or apply any other procedure on the individual and consolidated financial statements of the Company for the year 2011 and, therefore, we express no opinion or any form of assurance on the 2011 financial statements taken as a whole.

The accompanying individual and consolidated financial statements has been translated into English for the convenience of readers outside Brazil.

São Paulo, February 19, 2013

DELOITTE TOUCHE TOHMATSU	Edimar Facco
Auditores Independentes	Engagement Partner

Companhia Brasileira de Distribuição

Financial Statements

Years ended December 31, 2012 and 2011

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Financial statements

Companhia Brasileira de Distribuição

Balance sheet

December 31, 2012 and 2011

(In thousands of reais)

		Parent Company		Consolidated	
Assets	**Notes**	**12.31.2012**	**12.31.2011**	**12.31.2012**	**12.31.2011**
Current					
Cash and cash equivalents	7	**2,890,331**	2,328,783	**7,086,251**	4,969,955
Trade accounts receivable, net	8	**926,660**	1,719,763	**3,208,963**	5,437,500
Other accounts receivable, net	9	**21,141**	40,131	**221,477**	279,621
Inventories	11	**2,132,697**	1,914,938	**5,759,648**	5,552,769
Recoverable taxes	12	**193,714**	413,721	**871,021**	907,702
Other receivables		**60,238**	68,182	**103,324**	128,845
Total current assets		**6,224,781**	6,485,518	**17,250,684**	17,276,392
Noncurrent					
Trade accounts receivable	8	**-**	-	**108,499**	110,785
Other accounts receivable	9	**25,740**	46,736	**556,397**	538,069
Inventories	11	**-**	-	**172,280**	14,000
Recoverable taxes	12	**217,651**	24,526	**1,231,642**	729,998
Financial Instruments	20	**-**	-	**359,057**	304,339
Deferred income and social contribution taxes	22	**185,491**	225,010	**1,078,842**	1,249,687
Related parties	13	**1,532,309**	1,143,031	**172,164**	133,415
Restricted deposits for legal proceedings	24	**548,375**	386,487	**952,294**	737,688
Other receivables		**49,064**	31,979	**61,892**	36,898
Investments	14	**6,736,527**	4,301,137	**362,429**	340,122
Property and equipment, net	16	**5,816,754**	5,074,613	**8,114,498**	7,358,250
Intangible assets	17	**1,108,116**	840,436	**4,975,556**	4,939,361
Total noncurrent assets		**16,220,027**	12,073,955	**18,145,550**	16,492,612
Total assets		**22,444,808**	18,559,473	**35,396,234**	33,769,004

Certain amounts of 2011 were reclassified for better presentation and comparison. See note 2.

The accompanying notes are an integral part of these financial statements.

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Companhia Brasileira de Distribuição

Balance sheet

December 31, 2012 and 2011

(In thousands of reais)

		Parent Company		Consolidated	
Liabilities	**Notes**	**12.31.2012**	**12.31.2011**	**12.31.2012**	**12.31.2011**
Current					
Trade accounts payable	18	**2,791,397**	2,526,912	**6,803,240**	6,278,757
Loans and financing	19	**868,896**	1,014,783	**3.542,706**	4,415,654
Debentures	19	**549,956**	501,844	**668,444**	501,844
Payroll and related charges		**330,884**	297,300	**728,970**	758,663
Taxes and contributions payable	21	**101,508**	69,102	**650,761**	332,416
Tax payable in installments	21	**147,172**	163,214	**155,368**	171,212
Related parties	13	**2,247,329**	188,272	**81,641**	27,878
Dividends payable	27	**166,507**	103,387	**168,798**	103,396
Payable related to acquisition of non-controlling interest	23	**-**	-	**63,021**	54,829
Financing related to acquisition of real estate		**88,181**	14,211	**88,181**	14,211
Rent payable		**33,258**	24,929	**51,377**	48,991
Deferred revenue	26	**-**	-	**92,120**	81,915
Other accounts payable		**207,771**	149,153	**860,766**	711,436
Total current liabilities		**7,532,859**	5,053,107	**13,955,393**	13,501,202
Noncurrent					
Loans and financing	19	**1,961,225**	2,292,024	**2,539,751**	4,103,382
Debentures	19	**2,942,111**	2,137,518	**3,741,353**	2,137,518
Deferred income and social contribution taxes liability	22	**-**	-	**1,137,376**	1,114,873
Tax payable in installments	21	**1,119,029**	1,202,667	**1,204,543**	1,291,810
Provision for contingencies	24	**345,683**	236,922	**774,361**	680,123
Acquisition of non-controlling interest	23	**-**	-	**158,201**	188,602
Deferred revenue	26	**-**	-	**471,665**	381,406
Other accounts payable		**49,176**	11,962	**345,640**	275,663
Total noncurrent liabilities		**6,417,224**	5,881,093	**10,372,890**	10,173,377
Controlling shareholders’ equity					
Subscribed capital	27	**6,710,035**	6,129,405	**6,710,035**	6,129,405
Capital reserves	27	**228,459**	384,342	**228,459**	384,342

Profit reserves	27	**1,556,231**	1,111,526	**1,556,231**	1,111,526
		8,494,725	7,625,273	**8,494,725**	7,625,273
Non-controlling interest		**-**	-	**2,573,226**	2,469,152
Total sharholders´equity		**8,494,725**	7,625,273	**11,067,951**	10,094,425
Total liabilities and equity		**22,444,808**	18,559,473	**35,396,234**	33,769,004

Certain amounts of 2011 were reclassified for better presentation and comparison. See note 2.

The accompanying notes are an integral part of these financial statements.

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Companhia Brasileira de Distribuição

Income statement

Years ended December 31, 2012 and 2011

(In thousands of reais)

	Parent Company		
	12.31.2012	**12.31.2011**	**12.3**
Net sales (Note 28)	**19,051,959**	17,744,191	**50,9**
Cost of sales (Note 29)	**(14,064,637)**	(13,158,402)	**(37,1**
Gross profit	**4,987,322**	4,585,789	**13,8**
Operating income/expenses			
Selling expenses (Note 29)	**(2,798,322)**	(2,543,293)	**(8,3**
General and administrative (Note 29)	**(643,832)**	(596,361)	**(1,7**
Depreciation and amortization	**(377,202)**	(310,398)	**(7**
Net financial expenses (Note 31)	**(455,910)**	(472,935)	**(1,1**
Share of profit in an associate (Note 14)	**603,705**	374,685	
Other operating income/ expenses, net (Note 30)	**(80,119)**	(234,188)	**(**
	(3,751,680)	(3,782,490)	**(12,1**
Profit before income and social contribution taxes and employees' profit sharing	**1,235,642**	803,299	**1,6**
Income and social contribution taxes (Note 22)	**(184,461)**	(85,080)	**(5**
Net income and comprehensive income	**1,051,181**	718,219	**1,1**
Attributable to:			
Controlling shareholders (Note 32)			**1,0**
Non-controlling shareholders			**1**
			1,1
Earning per share – (based on weighted average of shares outstanding – R$) (Note 32)			
Basic			
Preferred	**4.15**	2.87	
Common	**3.78**	2.61	
Diluted			
Preferred	**4.12**	2.85	
Common	**3.78**	2.61	

The accompanying notes are an integral part of these financial statements.

Companhia Brasileira de Distribuição

Comprehensive Income

Years ended December 31, 2012 and 2011

(In thousands of reais)

	Controladora		Consolidado	
	12.31.2012	**12.31.2011**	**12.31.2012**	**12.31.2011**
Net income for the year	**1,051,181**	718,219	**1,156,436**	719,656
Others comprehensive income	**-**	-	**-**	-
Comprehensive income for the year	**1,051,181**	718,219	**1,156,436**	719,656
Attributable to:				
Controlling shareholders			**1,051,181**	718,219
Non-controlling shareholders			**105,255**	1,437
			1,156,436	719,656

The accompanying notes are an integral part of these financial statements.

Companhia Brasileira de Distribuição

Statement of Changes in Shareholders´ Equity

Years ended December 31, 2012 and 2011

(In thousands of reais)

		Capital Reserve				Profi
		Special				
Description	Capital Stock	Goodwill Reserve	Other Reserves	Granted Options	Legal	Expansi
Balance at December 31, 2010	5,579,259	344,605	7,398	111,145	212,339	701,923
Capital increase						
Capitalization of reserve	527,175	(105,675)	-	-	-	(379,35
Stock option exercised	22,971	-	-	-	-	
Recognized granted options	-	-	-	26,869	-	
Non-controlling interest	-	-	-	-	-	
Net income for the year	-	-	-	-	-	
Appropriation of net income to reserve	-	-	-	-	35,910	
Dividends	-	-	-	-	-	
Gain (loss) in equity interest	-	-	-	-	-	
Expansion reserve	-	-	-	-	-	460,5
Profit retention	-	-	-	-	-	
Balance at December 31, 2011	6,129,405	238,930	7,398	138,014	248,249	783,1
Capital increase						
Reserve capitalization (note 27 c) and e))	**559,320**	**(200,905)**	-	-	-	**(322,57**
Stock option exercised (note 27 d))	**21,310**	-	-	-	-	
Recognized granted options	-	-	-	**45,022**	-	
Net income for the year	-	-	-	-	-	
Appropriation of net income to Reserve (note 27 e))	-	-	-	-	**52,559**	
Dividends (note 27 g))	-	-	-	-	-	
Gain (loss) in equity interest	-	-	-	-	-	
Expansion reserve	-	-	-	-	-	
Unclaimed dividends	-	-	-	-	-	

Balance at December 31, 2012	**6,710,035**	**38,025**	**7,398**	**183,036**	**300,808**	**460.5**

The accompanying notes are an integral part of these financial statements.

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Companhia Brasileira de Distribuição

Statement of Cash Flows

Years ended December 31, 2012 and 2011

(In thousands of reais)

	Parent Company		**Consolidated**	
	12.31.2012	**12.31.2011**	**12.31.2012**	**12. 31.2011**
Cash flow provided by operating activities	**646,471**	450,353	**5,299,255**	1.128.063
Cash provided by the operations	**1,587,461**	1,255,466	**3,217,041**	2,518,539
Net income for the year	**1,051,181**	718,219	**1,156,436**	719,656
Adjustment to reconcile net income				
Deferred income tax (Note 22)	**39,520**	85,080	**193,348**	(57,118)
Depreciation and amortization	**377,202**	310,398	**834,109**	706,494
Share of profit in an associate (Note 14)	**(603,705)**	(374,685)	**(10,819)**	(34,825)
Adjustment to present value	**(9,987)**	(952)	**(13,696)**	22,427
Financial charges	**613,257**	488,657	**1,099,034**	965,557
Provision for contingencies (Note 24)	**55,506**	(10,738)	**83,477**	(4,798)
Share-based payment	**45,022**	26,869	**45,022**	26,869
Barter revenue	**-**	-	**(158,280)**	-
Deferred revenue	**-**	-	**54,418**	54,759
Gain (loss) on disposal of property and equipment	**8,796**	14,255	**(11,805)**	48,820
Allowance for doubtful accounts (Note 8)	**81**	-	**(19,488)**	37,004
Provision for obsolescence and losses and				
breakage (Note 11)	**1,361**	(2,141)	**(22,683)**	23,903
Provision for disposals and losses of fixed assets	**6,172**	504	**10,989**	9,791
Others	**3,055**	-	**(23,021)**	-
	1,587,461	1,255,466	**3,217,041**	2,518,539
Changes in assets and liabilities				
Trade accounts receivable, net	**50,056**	(143,428)	**2,296,663**	(1,716,551)
Marketable securities	**-**	-	**-**	634,978
Inventories	**(126,307)**	(339,543)	**(191,977)**	(776,442)
Recoverable taxes	**(27,233)**	75,526	**(575,266)**	(506,651)
Related parties	**(757,634)**	(464,916)	**24,530**	(189,360)
Restricted deposits for legal proceedings	**(78,997)**	(54,052)	**(179,431)**	(68,116)
Trade accounts payable	**114,539**	307,213	**498,422**	972,395
Payroll, related charges and taxes payable	**(137,326)**	39,066	**100,779**	169,477

Financial instruments	**-**	-	**(50,000)**	114,365
Other liabilities	**21,912**	(224,979)	**158,494**	(24,571)
	(940,990)	(805,113)	**2,082,214**	(1,390,476)
Net cash flow provided by operating activities	**646,471**	450,353	**5,299,255**	1,128,063

Companhia Brasileira de Distribuição

Statement of Cash Flows -- Continued

Years ended December 31, 2012 and 2011

(In thousands of reais)

	Parent Company		Consolidated	
	12.31.2012	**12.31.2011**	**12.31.2012**	**12.31.2011**
Cash flow used in investing activities				
Acquisition of subsidiary net of cash acquired	**-**	-	**(32,729)**	(269,113)
Net cash merged (Note 1)	**275,636**	-	**-**	-
Capital increase in subsidiaries	**(11,193)**	(112)	**-**	-
Acquisition of property and equipment (Note 16)	**(767,861)**	(726,557)	**(1,308,951)**	(1,262,640)
Acquisition of intangible assets (Note 17)	**(25,512)**	(155,114)	**(84,443)**	(191,635)
Sales of property and equipment	**16,885**	24,482	**87,240**	97,892
Net cash used by investing activities	**(512,045)**	(857,301)	**(1,338,883)**	(1,625,496)
Cash flow from financing activities				
Capital increase	**21,310**	22,971	**21,310**	22,971
Funding and refinancing	**1,600,699**	2,390,981	**7,210,792**	6,918,179
Payments	**(599,517)**	(982,152)	**(7,976,686)**	(4,772,162)
Interest paid	**(408,926)**	(271,801)	**(913,098)**	(336,126)
Dividend paid	**(186,444)**	(181,844)	**(186,394)**	(183,468)
Net cash provided by (used in) financing activities	**427,122**	978,155	**(1,844,076)**	1,649,394
Net increase in cash and cash equivalents	**561,548**	571,207	**2,116,296**	1,151,961
Cash and cash equivalents at the end of year	**2,890,331**	2,328,783	**7,086,251**	4,969,955
Cash and cash equivalents at the beginning of year	**2,328,783**	1,757,576	**4,969,955**	3,817,994
Net increase in cash and cash equivalents	**561,548**	571,207	**2,116,296**	1,151,961

The main non-cash transactions are disclosed in the notes 1 (c), 15 (ii), 16 (b) and (e), 22 a) and 27 (c) and (e).

The accompanying notes are an integral part of these financial statements.

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Companhia Brasileira de Distribuição

Statement of Value Added

Years ended December 31, 2012 and 2011

(In thousands of reais)

	Parent Company		Consolidated	
	12.31.2012	**12.31.2011**	**12.31.2012**	**12.31.20**
Revenue				
Sales of goods	**20,931,980**	19,540,187	**57,233,622**	52,680
Allowance for doubtful accounts	**(5,716)**	(7,151)	**(340,652)**	(256,
Other revenues (expenses)	**54,861**	(133,346)	**165,420**	29
	20,981,125	19,399,690	**57,058,390**	52,453
Inputs acquired from third parties				
Cost of sales	**(15,106,995)**	(14,225,737)	**(39,338,987)**	(36,637,
Materials, energy, outsourced services and other	**(1,524,843)**	(1,440,543)	**(4,787,505)**	(4,464,
	(16,631,838)	(15,666,280)	**(44,126,492)**	(41,102,
Gross added value	**4,349,287**	3,733,410	**12,931,898**	11,351
Retentions				
Depreciation and amortization	**(377,202)**	(310,398)	**(834,109)**	(706,
Net added value produced	**3,972,085**	3,423,012	**12,097,789**	10,645
Added value received in transfers				
Share of profit in an associate	**603,705**	374,685	**10,819**	34
Financial income	**314,786**	318,540	**593,287**	593
	918,491	693,225	**604,106**	628
Total added value to distribute	**4,890,576**	4,116,237	**12,701,895**	11,273
Personnel	**1,839,642**	1,535,782	**5,604,771**	5,227
Payroll	**1,265,138**	1,053,815	**4,111,688**	3,893
Profit sharing	**30,192**	34,884	**160,015**	153
Benefits	**435,542**	365,527	**986,189**	777
Government Severance Indemnity Fund for Employees (FGTS)	**108,770**	81,556	**346,879**	403
Taxes, fees and contributions	**847,982**	735,047	**2,962,782**	2,281
Federal	**597,458**	457,459	**1,773,214**	1,079
State	**156,925**	187,567	**981,462**	986
Municipal	**93,599**	90,021	**208,106**	214
Value distributed to providers of capital	**1,151,771**	1,127,189	**2,977,906**	3,044
Interest	**770,696**	791,474	**1,786,160**	1,926
Rentals	**381,075**	335,715	**1,191,746**	1,118

Dividends	**249,655**	170,577	**249,655**	170
Value distributed to shareholders	**801,526**	547,642	**801,526**	547
Non-controlling interest	**-**	-	**105,255**	1
Total added value distributed	**4,890,576**	4,116,237	**12,701,895**	11,273

The accompanying notes are an integral part of these financial statements.

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

Companhia Brasileira de Distribuição

Notes to the financial statements

December 31, 2012 and 2011

(In thousands of Brazilian reais, except when otherwise stated)

1. Corporate information

Companhia Brasileira de Distribuição ("Company" or "GPA"), directly or through its subsidiaries ("Group"), operates in the food retail, clothing, home appliance, eletronics and other product segments through its chain of hypermarkets, supermarkets, specializes and department stores, principally under the banners "Pão de Açúcar", "Extra Hiper", "Extra Super", "Mini-mercado Extra", "Assai", "Ponto Frio" and "Casas Bahia", in addition to the e-commerce platforms "Casas Bahia.com", "Extra.com" ,"Ponto Frio.com", "Barateiro.com" and "Partiuviagens.com". Its headquarters are located in São Paulo, SP, Brazil.

Founded in 1948, the Company had 151 thousand employees, 1,882 stores in 19 Brazilian states and in the Federal District and a logistics infrastructure comprising 55 warehouses located in 13 states at December 31, 2012. The Company's shares are listed in the Level 1 Corporate Governance trading segment of the São Paulo Stock Exchange ("BM&FBovespa"), code "PCAR4" and its shares are also listed on the New York Stock Exchange (ADR level III), code "CBD". Company is also listed on the Luxembourg Stock Exchange, however, with no shares traded.

The Company is controlled by Wilkes Participações S.A. ("Wilkes"), that on July 2, 2012 became a subsidiary of Casino Guichard Perrachon ("Casino").

a) *Casino Arbitration*

On May 30, 2011, Casino filed two arbitration requests in accordance with the rules set forth by the International Arbitration Court of the International Chamber of Commerce against the Mr. Abilio dos Santos Diniz, Ms. Ana Maria Falleiros dos Santos Diniz D'Avila, Ms. Adriana Falleiros dos Santos Diniz, Mr. João

Paulo Falleiros dos Santos Diniz, Mr. Pedro Paulo Falleiros dos Santos Diniz and Península Participações S.A. (“Península”).

On July 1, 2011, Casino filed another arbitration request in accordance with the rules set forth by the International Arbitration Court of the International Chamber of Commerce, with the abovementioned parties and the Company as the defendants.

On October 5, 2011, Mr. Abilio dos Santos Diniz, Ms. Ana Maria Falleiros dos Santos Diniz D’Avila, Ms. Adriana Falleiros dos Santos Diniz, Mr. João Paulo Falleiros dos Santos Diniz, Mr. Pedro Paulo Falleiros dos Santos Diniz and Península presented their responses to both arbitration requests and filed counter claims.

The arbitrations were unified into one single proceeding and an arbitration court composed of three members was established to settle the dispute. This first hearing of the aforementioned arbitration proceeding was held in São Paulo on May 9, 2012. The arbitration process, including the Counter Claims, is subject to a confidentiality clause and aims to ensure compliance with the Company’s shareholders´ agreement, Wilkes’ shareholders´ agreement and the law. On June 21, 2012, the Company raised an objection claiming that there is no reason for it to take part in this arbitration, as it is not a party to Wilkes’ Shareholders’ Agreement.

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1. Corporate information -- Continued

b) *Wilkes' corporate events*

At the Extraordinary General Meeting held on June 22, 2012, the following members of the Board of Directors appointed by Casino were elected: Mr. Eleazar de Carvalho Filho, Mr. Luiz Augusto de Castro Neves and Mr. Roberto Oliveira de Lima Casino, with Mr. Abilio dos Santos Diniz remaining as the chairman of the Board of Directors. After the changes approved in this meeting, the new members of the Company's Board of Directors were: Mr. Abilio dos Santos Diniz (chairman), Mr. Antoine Marie Remi Lazars Giscard D'Estaing, Mr. Arnaud Strasser, Mr. Candido Botelho Bracher, Mr. Eleazar de Carvalho Filho, Mr. Fábio Schvartsman, Ms. Geyze Marchesi Diniz, Mr. Guilherme Affonso Ferreira, Mr. Jean Louis Bourgier, Mr. Jean Charles Henri Naouri, Mr. Luiz Augusto de Castro Neves, Mr. Pedro Henrique Chermont de Miranda, Mr. Pedro Paulo Falleiros dos Santos Diniz, Mr. Roberto Oliveira de Lima and Mr. Ulisses Kameyama. Ms. Ana Maria Falleiros dos Santos Diniz D'Avila and Mr. João Paulo Falleiros dos Santos Diniz were no longer members of the Company's Board of Directors.

On the same date, Wilkes, the Company's controlling shareholder, also held an Extraordinary General Meeting, which resolved to replace the chairman of its Board of Directors. Mr. Jean Charles Henri Naouri, Casino's CEO, was appointed as the chairman of the aforementioned Board, a position previously occupied by Mr. Abilio dos Santos Diniz.

On July 2, 2012, Wilkes held another Extraordinary General Meeting, after which the membership of the Company's Board of Directors was as follows: Mr. Jean Charles Henri Naouri (chairman), Mr. Abilio dos Santos Diniz, Mr. Marcelo Fernandez Trindade and Mr. Arnaud Strasser. After these events Casino became the Company's sole controlling shareholder.

c) *Corporate Reorganization*

At December 28, 2012, the Annual General Meeting approved a corporate reorganization with the purpose of obtaining administrative, economic and financial benefits for the Group, the base date of the restructuring were the balance sheets of subsidiaries at December 31, 2012. The reorganization consists of the merger by the Company of the operations of 44 stores of the subsidiary Sé Supermercados Ltda. (“Sé”), with net assets of R$515, and 6 stores of the subsidiary Sendas Distribuidora S.A. (“Sendas”), with net assets of R$504.

Additionally, there was a swap of equivalent amounts of shares between the Company and the subsidiary Novasoc Comercial Ltda. (“Novasoc”), in which the Company assigned 6.9% of Sé Supermercados in exchange for 17.25% of Barcelona Comércio Varejista e Atacadista S.A. (“Barcelona”), allocated to Sé. The same meeting also approved an increase of R$557,534 in the Company’s interest in Barcelona, without the issue of new shares, using the Company’s credits against this subsidiary.

The reorganization had a R$7,491 impact on the result for the year ended December 31, 2012, mainly related to the loss of deferred social contribution tax credits in its subsidiaries.

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1. **Corporate information** -- Continued

c) Corporate Reorganization -- Continued

The effects on the balance sheet of December 31, 2012 the parent company as a result of the merger of subsidiaries Sé and Sendas, describe above, were the following:

Assets	**12.31.2012**
Cash and cash equivalents	275,636
Trade accounts recivable, net	20,998
Inventories	92,813
Recoverable taxes	5,489
Other receivables	1,257
Total current assets	**396,193**
Restricted deposits for legal proceedings	62,519
Recoverable taxes	8,829
Investments	801,775
Property and equipment, net	225,297
Intangible assets	173,247
Total noncurrent assets	**1,271,667**
Total assets	**1,667,860**
Liabilities	
Trade accounts payable	125,528
Payroll and related charges	16,980
Taxes and contributions payable	8,005

Related parties	1,446,936
Others accounts payable	14,684
Total current liabilities	**1,612,133**
Provision for contingencies	54,708
Total noncurrent liabilities	**54,708**
Total liabilities	**1,666,841**
Net assets merged	**1,019**

On December 28, 2012, the Extraordinary General Meeting also approved an increase in the Company's interest in Sendas Distribuidora amounting to R$1,100,000, without the issue of new shares, using the Company's credits against this subsidiary.

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1. **Corporate information** -- Continued

d) *Arbitration request by Morzan*

Pursuant to the Material Fact released on June 15, 2012, the Company hereby announces that it has received a letter from the International Chamber of Commerce – ICC notifying about the request for the filing of an arbitration proceedings ("Proceedings") submitted by Morzan Empreendimentos e Participações Ltda. ("Morzan"), former controlling shareholders of Globex Utilidades S.A. (Ponto Frio network), currently denominated Via Varejo S.A. ("Via Varejo").

The Proceeding is associated with claims arising from the Share Purchase Agreement executed between the subsidiary Mandala Empreendimentos e Participações S.A. on June 8, 2009 ("Agreement") for the acquisition of 86,962,965 registered common shares with no par value, which then represented 70.2421% of the total and voting capital of Via Varejo, object of the Material Fact disclosed by the Company on June 8, 2009. The arbitration terms are subject to confidentiality requirements.

On July 11, 2012, the Company exercised its right to appoint an arbitrator to compose the arbitration court responsible for conducting the Proceeding.

The Company understands that the request is groundless, given that the Agreement was fully complied with, as it will be demonstrated during the Proceeding.

Until the present date there were no developments in this arbitration, thus not causing any impact on these financial statements. The Company will maintain its shareholders and the market informed of any material developments regarding the Proceeding.

e) *Arbitration request Abílio dos Santos Diniz x Casino*

On December 20, 2012, partner Abílio dos Santos Diniz informed the Company of the filing of an arbitration procedure against the Casino Group, whose terms are subject to a confidentiality obligation. The Company is not a party to the arbitration procedure.

f) *Restructuring of Via Varejo*

On December 14, 2011 the Board of Directors of the Company approved a formal plan for closing 88 Ponto Frio stores, upon approval by the Anti-trust Agency (“CADE”), as required by Preserve Reversibility of Operation Agreement (“APRO”). On December 31, 2011, the Company communicated employees, store owners, suppliers and others and recorded a provision for closing stores in the amount of R$34,700, R$20,700 of which related to the net amount of property and equipment and R$14,000 to other expenses related to the closure.

Of the 88 stores planned to be closed, the Company has closed 66 and has decided to maintain 8. At December 31, 2012 the Company had a provision for closing stores of R$7,289, related to the 14 stores planned to be closed and additional expenses that may be incurred by the stores already closed.

g) *Notice to the Market*

Regarding works of external advisors informed on Notice to the Market on October 16, 2012, the Company believes there is no fact or effect that should be disclosed in these financial statements.

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2. Basis of preparation

The financial statements comprises:

- The consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the "International Accounting Standards Board ("IASB"), and the accounting practices adopted in Brazil; and

- The individual financial statements of the Company prepared in accordance with accounting practices in Brazil.

In the individual financial statements, the investments in subsidiary are stated by the equity method, while for the purpose of IFRS, these would be stated at cost or fair value. However, there are no differences between shareholders´ equity and consolidated income statement by the Company and shareholders´ equity and income statement of controlling entity in its individual financial statements.

The financial statements have been prepared on the historical cost basis except for certain financial instruments measured at their fair value.

The items included in the financial statements of the parent company and consolidated were measured by adopting the currency of the main economic scenario where the subsidiary operates ("functional currency"), that is Real ("R$"), which is the reporting currency of these financial statements.

The parent company and consolidated financial statements for the year ended December 31, 2012 was approved by the Board of Directors at February 19, 2013.

The Management considered the initial balances of the Company, the balance of receivables sold to Pão de Açúcar Receivables Securitization Fund ("PAFIDC") that were still outstanding at December 31, 2011. This change aims to represent the risks that the Company assumed the balance sheet date. In addition and for better presentation and comparison of the following balances December 31, 2011 were also reclassified:

	Parent Company			
	12.31.2011	FIDC	Goodwill	12.31.2011 Reclassified
Assets:				
Trade accounts receivables- current	791,538	928,225	-	1,719,763
Receivables securitization fund – FIDC	124,276	(124,276)	-	-
Investments	4,191,683	-	109,454	4,301,137
Intangible assets	949,890	-	(109,454)	840,436
Liabilities:				
Loans and financing	210,834	803,949	-	1,014,783

	Consolidated				
	12.31.2011	Paes Mendonça	Goodwill	Others	12.31.2011 Reclassified
Assets:					
Trade accounts receivables – noncurrent	555,841	(445,056)	-	-	110,785
Other accounts receivables – noncurrent	107,013	445,056	-	(14,000)	538,069
Inventories – noncurrent	-	-	-	14,000	14,000
Investments	253,250	-	86,872	-	340,122
Intangible assets	5,026,233	-	(86,872)	-	4,939,361

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3. Basis of consolidation

a) Interest in subsidiaries, associates and joint ventures

	Interest - %			
	12.31.2012		12.31.2011	
Companies	**Company**	**Indirect interest**	**Company**	**Indirect interest**
Subsidiaries:				
Novasoc Comercial Ltda. (“Novasoc”)	**10.00**	**-**	10.00	-
Sé Supermercado Ltda. (“Sé”)	**100.00**	**-**	93.10	0.69
Sendas Distribuidora S.A. (“Sendas”)	**100.00**	**-**	18.33	76.04
Pão de Açúcar Fundo de Investimentos em Direitos Creditórios (“PAFIDC”)	**-**	**-**	9.04	1.06
PA Publicidade Ltda. (“PA Publicidade”)	**100.00**	**-**	100.00	-
Barcelona Comércio Varejista e Atacadista S.A. (“Barcelona”)	**82.75**	**17.25**	-	93.79
CBD Holland B.V.	**100.00**	**-**	100.00	-
CBD Panamá Trading Corp.	**-**	**100.00**	-	100.00
Xantocarpa Participações Ltda. (“Xantocarpa”)	**-**	**100.00**	-	94.36
Vedra Empreend. e Participações S.A.	**99.99**	**0.01**	99.99	0.01
Bellamar Empreend. e Participações Ltda.	**100.00**	**-**	-	93.10
	100.00	**-**	100.00	-

Vancouver Empreend. e Participações Ltda.				
Bruxellas Empreend. e Participações S.A.	**99.99**	**0.01**	99.99	0.01
Monte Tardeli Empreendimentos e Participações S.A.	**99.91**	**0.09**	99.00	1.00
GPA Malls & Properties Gestão de Ativos e Serviços. Imobiliários Ltda. (“GPA M&P”)	**100.00**	**-**	89.42	9.85
GPA 2 Empreend. e Participações Ltda.	**99.99**	**0.01**	99.90	0.10
GPA 4 Empreend. e Participações S.A.	**99.91**	**0.09**	99.00	1.00
GPA 5 Empreend. e Participações S.A.	**99.91**	**0.09**	99.00	1.00
GPA 6 Empreend. e Participações Ltda.	**99.99**	**0.01**	99.90	0.10
ECQD Participações Ltda.	**100.00**	**-**	100.00	-
API SPE Planej. e Desenv. de Empreend. Imobiliários Ltda.	**100.00**	**-**	100.00	-
Posto Ciara Ltda.	**-**	**100.00**	-	-
Auto Posto Império Ltda.	**-**	**100.00**	-	-
Auto Posto Duque Salim Maluf Ltda.	**-**	**100.00**	-	-
Auto Posto Duque Santo André Ltda.	**-**	**100.00**	-	-
Auto Posto Duque Lapa Ltda.	**-**	**100.00**	-	-
Duque Conveniências Ltda.	**-**	**100.00**	-	-
Lake Niassa Empreend. e Participações Ltda.	**-**	**52.41**	-	52.41
Via Varejo	**52.41**	**-**	52.41	-
Globex Administração e Serviços Ltda. (“GAS”)	**-**	**52.41**	-	52.41
Nova Casa Bahia S.A. (“NCB”)	**-**	**52.41**	-	52.41

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3. **Basis of consolidation** -- Continued

a) Interest in subsidiaries, associates and joint ventures -- Continued

	12.31.2012		**12.31.2011**	
Holdings	**Company**	**Indirect interest**	**Company**	**Indirect interest**
Ponto Frio Adm e Importação de Bens Ltda.	**-**	**52.41**	-	52.40
Rio Expresso Com. Atacad. de Eletrodoméstico Ltda.	**-**	**52.41**	-	52.41
Globex Adm. Consórcio Ltda.	**-**	**52.41**	-	52.41
PontoCred Negócio de Varejo Ltda.	**-**	**52.41**	-	52.15
Nova Extra Eletro Comercial Ltda.	**0.10**	**52.36**	0.10	52.36
Nova Pontocom Comércio Eletrônico S.A. (“Nova Pontocom”)	**39.05**	**31.11**	39.05	31.11
E-HubConsult. Particip. e Com. S.A. (“E-Hub”)	**-**	**70.16**	-	70.16
Nova Experiência Pontocom S.A.	**-**	**70.16**	-	70.16
Saper Participações Ltda.	**-**	**-**	24.21	-
Sabara S.A	**-**	**52.41**	-	52.41
Casa Bahia Contact Center Ltda.	**-**	**52.41**	-	52.41
Globex - Fundo de Investimentos em Direitos Creditórios (“Globex FIDC”)	**-**	**52.41**	-	7.86
<u>Associates and Joint Ventures:</u>				
Ponto Frio Leasing S.A.	**-**	**-**	-	26.21
Financeira Itaú CBD S.A. – Crédito, Financiamento e Investimento (“FIC”)	**-**	**43.22**	-	40.76
Indústria de Móveis Bartira Ltda. (“Bartira”)	**-**	**13.10**	-	13.10
Dunnhumby Brasil Cons. Ltda.	**2.00**	**-**	2.00	-
Banco Investcred Unibanco S.A. (“BINV”)	**-**	**26.21**	-	26.21
FIC Promotora de Vendas Ltda.	**-**	**43.22**	-	40.76

The interests were calculated based on the percentage held by GPA or its subsidiaries. The consolidation does not necessarily reflect such percentages as some companies have shareholders' agreements that grant the control to the Company and are therefore fully consolidated.

b) Subsidiaries

The consolidated financial statements include the financial statements of all the subsidiaries directly or indirectly controlled by the Company.

Subsidiaries are all entities (including special purpose entities) over which the Company has the power to govern financial and operating policies and, in general terms, holds shares equivalent to more than one half of the voting rights. The existence and the effect of potential voting rights currently exercisable or convertible are taken into account to determine if the Company controls another entity. Subsidiaries are fully consolidated as of the date of acquisition, which corresponds to the date on which the Company obtains control over them, and excluded from consolidation, if applicable, as of the date on which this control ceases to exist.

The financial statements of the subsidiaries are prepared on the same closing date as those of the Company, using consistent accounting policies. All intra-group balances, including revenue and expenses, unrealized gains and losses and dividends resulting from intra-group transactions, are fully eliminated.

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3. Basis of consolidation -- Continued

b) Subsidiaries-- Continued

Gains or losses arising from changes in equity interest in subsidiaries which do not result in loss of control are directly recorded in equity.

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

The main direct or indirect subsidiaries included in the consolidation and the Company's percentage interest comprise:

i. *Novasoc*

Although the Company's interest in Novasoc represents 10% of its shares, Novasoc is included in the consolidated financial statements because the Company controls 99.98% of Novasoc's voting rights, pursuant to the shareholders' agreement. Moreover, under Novasoc's Bylaws, its net income allocation is not necessarily required to be proportional to the interest held in the company.

ii. *PAFIDC and Globex FIDC*

The Company consolidates the financial statements of PAFIDC and GlobexFIDC, which represent investment funds established for the exclusive purpose of securitizing the Company's and its subsidiaries' receivables. The consolidation is justified by the fact that default risks and custody and administration expenses related to the fund are linked to subordinated shares owned by the Company and its subsidiaries.

In the year ended December 31, 2012, PAFIDC and GlobexFIDC were restructured. See Note 10.

iii. *Via Varejo*

The Company holds a 52.41% interest in and, therefore, the control of Via Varejo, fully consolidating it in its financial statements. Via Varejo sells electronic products, operating under the brands "Ponto Frio" and "Casas Bahia". The company also operates in e-commerce through its subsidiary Nova Pontocom, selling products to final consumers at *www.extra.com.br*, *www.pontofrio.com.br* , *www.casasbahia.com.br* and www.barateiro.com.br and www.partiuviagens.com.br.

iv. *Sendas*

The Company directly or indirectly holds a 100% interest in Sendas, a retail company that operates mainly in the state of Rio de Janeiro.

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3. Basis of consolidation -- Continued

b) Subsidiaries--Continued

v. *GPA M&P*

In 2011, the Company began organizing GPA M&P, a subsidiary whose purpose is to manage and operate its real estate assets.

c) Associates – Ponto Frio Leasing S.A.

BINV's Extraordinary General Meeting of December 30, 2011 approved the full merger of the Ponto Frio Leasing S.A. based on the balance sheet of November 30, 2011, that occurred on April 13, 2012 upon approval by the Central Bank of Brazil - BACEN.

d) Associates - BINV and FIC

The Company's investments in its associates FIC and BINV, entities that directly finance sales to GPA customers, are a result of a partnership between Banco Itaú Unibanco S.A ("Itaú Unibanco"), GPA, and Via Varejo. These investments are accounted for under the equity method, since it is an entity in which the

Company has significant influence, but not control, once the power to make prevailing operational and financial decisions regarding BINV and FIC.

The income statement for the year reflects the share of the results of operations of the associates. Whenever a change is recognized directly in the associates' equity, the Company recognizes its contribution in said eventual changes and discloses this, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Company and the associates are eliminated proportionally to the interest in the associates.

The share of profit of associates is shown on the face of the income statement as share of profit in an associate. The financial statements of the associates are prepared for the same closing date as the parent company, and when necessary, adjustments are made to adjust the accounting policies in line to those of the Company.

After applying the equity method, the Company determines whether is necessary to recognize an impairment loss related to the Company's investment in associates. On each reporting date, the Company determines whether if there is any evidence that its investment in associates will not be recoverable. If applicable, the Company calculates the impairment amount as the difference between the investment's recoverable amount and its carrying amount and records this loss in the income statement for the year.

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

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3. **Basis of consolidation** -- Continued

e) Interest in joint venture - Bartira

The Company has an indirect interest in a joint venture named Bartira, in which GPA holds a 25% interest through its subsidiary NCB while the Klein family holds the remaining 75% through Casa Bahia Comercial Ltda. ("Casa Bahia"). These parties signed a partnership agreement that establishes the joint control of the entity's operating activities.

The agreement requires the unanimous resolution of participants in the financial and operational decision-making process. The Company recognizes is interest in the join venture using the proportional consolidation method. The joint venture financial statements are prepared for the same period adopted by the Company. Adjustments are made when necessary to bring the accounting policies in line with of the Company.

The main lines of Bartira's condensed financial statements are shown below, it should be noted that the Company proportionately consolidates 25% of Bartira.

	12.31.2012	**12.31.2011**
Current assets	**157,196**	130,564
Noncurrent assets	**73,244**	60,258
Total assets	**230,440**	190,822

Current liabilities	**111,550**	87,216
Noncurrent liabilities	**16,440**	1,177
Equity	**102,500**	102,429
Total liabilities and equity	**230,440**	190,822
Income		
Net revenue from sales and services	**464,048**	473,838
Earnings before income tax	**5,516**	23,387
Net income for the year	**68**	14,619

4. Significant accounting practices

a) Financial instruments

Financial instruments are recognized on the trade date and recorded at fair value plus transaction costs directly attributable to their acquisition or issue. Their subsequent measurement occurs every balance sheet date according to the rules established for each category of financial assets and liabilities.

Note 20 analyzes the fair value of the financial instruments and provides additional details on their measurement.

(i) *Financial assets*

Initial recognition and measurement

The financial assets held by the Company and its subsidiaries within the scope of CPC 38 (IAS 39) are classified according the purpose for which they were acquired or contracted for the following categories: (i) assets measured at fair value through profit or loss; ii) loans and receivables and investments held to maturity. The Company and its subsidiaries determine the classification of their financial assets at inception.

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4. Significant accounting practices -- Continued

a) Financial instruments -- Continued

(i) *Financial assets* -- Continued

Initial recognition and measurement -- Continued

Financial assets are initially recognized at fair value through profit or loss and transaction costs are expensed in the income statement. Loans and receivables are accounted for at amortized cost.

Purchases or sales of financial assets that require the assets to be delivered within a time frame established by regulations or market conventions (negotiations under regular conditions) are recognized on the trade date, i.e., on the date that the Company and its subsidiaries commits to purchase or sell the asset.

The financial assets of the Company and its subsidiaries include cash and cash equivalents, trade accounts receivables, related-party receivables, restricted depositi from legal proceedings and derivative financial instruments.

Subsequent measurement

- Financial assets measured at fair value through profit or loss: are measured at fair value at the end of balance sheet date. Interest rates, monetary restatement, exchange rate variation and variations arising from the fair value valuation are recognized in the income statement for the period as financial income or expenses, when incurred.

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

- Held-to-maturity financial assets and liabilities: financial assets and liabilities that cannot be classified as loans and receivables as they are quoted in an active market. In this case, these financial assets are acquired with the intent and ability to hold to maturity. They are stated at their acquisition cost plus income earned against profit or loss for the year using the effective interest rate method.

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4. Significant accounting practices -- Continued

a) Financial instruments -- Continued

(i) *Financial assets* -- Continued

Derecognition of financial assets

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

- Its right to receive cash flows has expired; and

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

When the Company has transferred its rights to receive cash flows an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and benefits related to the asset or transferred control of the asset, the asset is maintained and recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations retained by the Company and its subsdiaries.

Impairment of financial assets

At the end of the reporting periods, the Company and its subsidiaries assesses whether there is any indication of impairment of a financial asset or group of financial assets. The impairment of a financial asset or group of financial assets is only considered when there is objective evidence resulting from one or more events occurred after the asset's initial recognition ("loss event"), and if said event affects the estimated future cash flows of the financial asset or group of financial assets, which can be reliably estimated. The evidence of impairment may include indications that debtors (or group of debtors) are going through relevant financial constraints, moratorium or default in the amortization of interest or principal; likelihood that they will file for bankruptcy or another type of financial reorganization; and when these data indicate a measurable decrease in future cash flows, such as default interest variations or economic conditions related to default

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4. Significant accounting practices -- Continued

a) Financial instruments -- Continued

(i) *Financial assets* -- Continued

Impairment of financial assets -- Continued

Specifically in relation to financial assets held to maturity, the Company and its subsidiaries, firstly, verify whether there is objective evidence of impairment loss individually for financial assets that are individually significant, or collectively for assets that are not individually significant. Should the Company and its subsidiaries determine the nonexistence of objective evidence of impairment loss of a financial asset measured individually – whether or not this significant loss – the Company classifies a group of financial assets with credit risk characteristics similar which are evaluated collectively. The assets individually assessed as to impairment loss, or for which the impairment loss is (or continues to be) recognized, are not included in the collective assessment of the loss.

Impairment is measured as the difference between the carrying amount of an asset and the present value of the estimated future cash flows (excluding future credit losses that have not been incurred) discounted by the original effective interest rate of the financial asset. The asset’s carrying amount decreases through the use of a provision and the impairment loss is recognized in the income statement. In the case of loans or investments held to maturity with a variable interest rate, the Company measures the non-recovery based on the fair value of the instrument adopting an observable market price..

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

(ii) *Financial liabilities*

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

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

The Company's financial liabilities include loans and financing, debentures and derivative financial instruments.

Subsequent measurement

After initial recognition, interest-bearing loans and financings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the income statement for the year when the liabilities are written off, or through amortization according to the effective interest rate method.

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4. Significant accounting practices -- Continued

a) Financial instruments -- Continued

(ii) *Financial liabilities* -- Continued

Derecognition of financial liabilities

A financial liability is derecognized when the underlying obligation is settled, cancelled or expired.

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

Offsetting of financial instruments

Financial assets and liabilities are offset and stated net in the financial statements only if there is a currently enforceable legal right to offset the recognized amounts and there is an intention of settling them on a net basis or realizing the assets and settling the liabilities simultaneously.

b) <u>Foreign currency transactions</u>

Foreign currency transactions are initially recognized at fair value on the date of the currencies corresponding to the transaction qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated to Real according to the market price at the balance sheet dates. Differences arising on payment or translation of monetary items are recognized in financial income.

c) <u>Hedge accounting</u>

The Company uses derivative financial instruments such as interest rate and exchange rate swaps. These derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value at each balance sheet date. Derivatives are accounted for as financial assets when their fair value is positive and as financial liabilities when their fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are directly recorded in the income statement.

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

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

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4. Significant accounting practices -- Continued

c) Hedge accounting -- Continued

The following are recognized as fair value hedges, in accordance with the procedures below:

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

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

- If the hedge item is derecognized, the unamortized fair value is immediately recognized in profit or loss; and

- In order to calculate the fair value, debts and swaps are measured through rates disclosed in the financial market and projected up to their maturity date. The discount rate used in the calculation by the interpolation method for loans denominated in foreign currency is arrived at through DDI curves, clean coupon and DI x Yen, indices disclosed by the BM&FBovespa (the Brazilian Securities, Commodities and

Futures Exchange), whereas for loans denominated in reais, the Company uses the DI curve, an index published by the CETIP and calculated through the exponential interpolation method

d) Cash and cash equivalents

Cash and cash equivalents consist of cash, checking account and highly liquid short-term investments that are readily convertible into a known cash amount, and are subject to an insignificant risk of change in value, intention and possibility to be redeemed in the short term.

e) Trade accounts receivable

Trade accounts receivable are stated and maintained at their nominal sales amounts less allowance for doubtful accounts, which is recorded based on the risk analysis of the entire customer portfolio and the respective likelihood of collection.

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

Accounts receivable from vendors are related to bonuses and discounts granted by vendors, established in agreements and calculated over purchase volumes, marketing initiatives, freight cost reimbursement and others.

At each balance sheet date, the Company evaluates if the financial assets or group of financial assets presented impairment.

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4. **Significant accounting practices** -- Continued

f) Inventories

Inventories are accounted for at cost or net realizable value, whichever is lower. Inventories purchased are recorded at average cost, including warehouse and handling costs, to the extent these costs are necessary to make inventories available for sale in the stores, less bonuses received from suppliers.

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

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

g) Bonuses

Bonuses received from suppliers are measured and recognized based on contracts and agreements signed, and recorded the result in so far as the corresponding inventories are sold, and comprise volume, logistics services and individual negotiations for the recovery of the margin or marketing agreements and others.

h) Present value adjustment of assets and liabilities

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

Interest rates embedded in revenue, expenses and costs associated with said assets and liabilities are adjusted for appropriate recognition in conformity with the accrual basis of accounting. The present value adjustment is recorded in those items, subject to the application of the rule against the financial result.

The adjustment to present value of purchase is recorded under “Trade accounts payable” and “Inventories” and its reversal has its counterpart in the “Finance expenses” for the fruition of term, in the case of suppliers, and the realization of inventories in relation to amounts recorded in them. The present value adjustment of installment sales has its counterpart the caption “Trade accounts receivables” and its realization is recorded in “Interest income” for the fruition of term.

i) Impairment of non-financial assets

Impairment testing is designed, so the Company can present the net realizable value of an asset. This amount may be realized directly or indirectly, respectively, through the sale of the asset or the cash generated by the use of the asset in the Company and its subsidiaries’ activities.

The Company and its subsidiaries test their tangible or intangible assets for impairment annually or whenever there is internal or external evidence that they may be impaired.

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4. Significant accounting practices -- Continued

i) Impairment of non-financial assets — Continued

An asset's recoverable amount is defined as the asset's fair value or the value in use of its cash generating unit (CGU), whichever is higher, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

If the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and an allowance for impairment is recorded to adjust its carrying amount to its recoverable amount. In assessing the recoverable amount, the estimated future cash flow is discounted to present value using a pre-tax discount rate that represents the Company's weighted average cost of capital ("WACC"), reflecting current market assessments of the time value of money and the risks specific to the asset.

Impairment losses are recognized in profit or loss for the year in expense categories consistent with the function of the respective impaired asset. Previously recognized impairment losses are only reversed in case of change in the assumptions used to determine the asset's recoverable amount at its initial or most recent recognition, except for goodwill, which cannot be reversed in future years.

j) Property and equipment

Property and equipment is stated at cost, net of accumulated depreciation and/or impairment losses, if any. This cost includes the cost of acquisition of equipment and financing costs for long-term construction projects, if the recognition criteria are met. When significant components of property and equipment are replaced, they are recognized as individual assets with specific useful lives and depreciation. Likewise, when a major replacement is performed, its cost is recognized at the carrying amount of the equipment as a replacement, if the recognition criteria are met. All other repair and maintenance costs are recognized in profit or loss for the year as incurred.

Asset category	**Average annual depreciation rate - %**
Buildings	2.5%
Improvements	4.9%
Data processing equipment	21.8%
Software	12.0%
Facilities	9.5%
Furniture and fixtures	10.7%
Vehicles	27.7%
Machinery and equipment	9.3%
Decoration	20.0%

Property and equipment items and eventual significant parts are written off when sold or when no future economic benefits are expected from its use or sale. Eventual gains or losses arising from the write off of the assets are included in the income statement.

The residual value, the useful life of assets and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if applicable. The Company reviewed the useful lives of fixed assets and intangible assets in fiscal year 2012 and concluded that there are no changes to be made.

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4. Significant accounting practices -- Continued

k) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that requires a substantial period of time to be prepared for its intended use or sale (qualifying asset) are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the year they occur.

l) Intangible assets

Intangible assets acquired separately are measured at cost at initial recognition, less amortization and eventual impairment losses. Internally generated intangible assets, excluding capitalized software development costs, are reflected in the income statement in which they were incurred.

Intangible assets consist mainly of software acquired from third parties, software developed for internal use, commercial rights (stores' rights of use), list of customers, advantageous lease agreements, advantageous furniture supply agreements and brands.

Intangible assets with definite useful lives are amortized by the straight-line method. The amortization period and method are reviewed, at least, at the end of each year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting assumptions.

Software development costs recognized as assets are amortized over their 10-year definite useful lives.

Intangible assets with indefinite useful lives are not amortized, but tested for recovery at the end of each year or whenever there are indications that their carrying value may be impaired either individually or at the level of the cash generating unit. The assessment is reviewed annually to determine whether indefinite life remains valid. Otherwise, life is changed prospectively from indefinite to definite.

l) Intangible assets – Continued

Where applicable, gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net proceeds from the sale and the carrying amount of the asset, being recognized in the income statement in the year when the asset is written off.

m) Classification of assets and liabilities as current and noncurrent

Assets (except for deferred income and social contribution taxes) that are expected to be realized in or are intended for sale or consumption within twelve months as of the end of the reporting periods are classified as current assets. Liabilities (except for deferred income and social contribution taxes) that are expected to be settled within twelve months as of the end of the reporting periods are classified as current. The deferred tax assets and liabilities are classified as "noncurrent", net by entity.

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4. Significant accounting practices -- Continued

n) Leases

An arrangement is or contains a lease if compliance with the arrangement depends on the use of a specific asset or assets or the arrangement transfers the right to use the asset.

Company as a lessee

Financial lease agreements, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the commencement of the lease at the fair value of the leased property or at the present value of the minimum lease payments, whichever is lower. Lease payments are allocated between financial charges and reduction of lease liabilities so as to achieve a constant interest rate in the remaining balance of liabilities. Financial charges are recognized as an expense in the year.

Leased assets are depreciated over their useful lives. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over its estimated useful life or the lease term, whichever is shorter. The capitalization of store improvements and remodelings are also taken into account.

Company as a lessee -- Continued

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

The installment payments of leases (excluding service costs, such as insurance and maintenance) classified as operating lease agreements are recognized as expenses, on an accrual basis, during the lease term.

Contingent rentals are recognized as expenses in the years they are assessed.

Company as a lessor

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

Contingent rentals are recognized as revenue in the years in which they are earned.

o) Provisions

Provisions are recognized when the Company and its subsidiaries have a present obligation (legal or not formalized) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and the obligation can be reliably estimated. Where the Company and its subsidiaries expect a provision to be fully or partially reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to the eventual provision is recognized in profit or loss for the year, net of any reimbursement.

p) Dividend distribution

Dividend distribution to the Company’s shareholders is recognized as a liability at the year-end, based on the minimum mandatory dividends established by the Bylaws. Exceeding amounts are only recorded at the date on which said additional dividends are approved by the Company’s shareholders.

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4. Significant accounting practices -- Continued

q) Deferred revenue

Deferred revenue is recognized by the Company and its subsidiaries through the receipts of amounts received from business partners for the exclusivity intermediation services of additional or extended warranties, recognized in income by evidence of the service in the sale of these warranties jointly with the business partners.

r) Equity

Common and preferred shares are classified as equity.

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

s) Share-based payment

Employees (including senior executives) receive compensation in the form of share-based payment, whereby employees render services in exchange for equity instruments (“equity-settled transactions”).

Equity-settled transactions

The cost of equity-settled transactions is recognized as an expense in the year, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are met. Cumulative expenses recognized for equity instruments at each reporting date until the vesting date reflect the extent to which the vesting period has expired and the Company’s best estimate of the number of equity instruments that will ultimately vest.

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4. Significant accounting practices -- Continued

s) Share-based payment -- Continued

Each year's expenses or income represent the change in the cumulative expenses recognized at the beginning and the end of that year. No expense is recognized for services that will not complete the vesting period, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market or non-vesting condition is met, provided that all other performance and/or service conditions are met.

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

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

The dilutive effect of outstanding options is reflected as an additional share dilution in the calculation of diluted earnings per share (See Note 32).

t) Earnings per share

Basic earnings per share are calculated based on the weighted average number of outstanding shares of each category during the year, and treasury shares.

Diluted earnings per share are calculated as follows:

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

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

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4. Significant accounting practices -- Continued

u) Determination of net income

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

(i) *Revenue*

a) *Sale of goods*

By the acting as the Company's stipulator in insurance extended warranty, financial protection insurance, personal accident insurance, intermediary sales technical assistance and mobile phone recharge, revenues earned are presented net of related costs and recognized in income when probable that the economic benefits will flow to the Company and its values can be measured reliably.

b) *Service revenue*

Service revenue mainly derives from services provided in stores, such as photo printing and financial intermediation and extended warranty. This revenue is recognized when these services are rendered.

c) *Finance service revenue*

As activity of customer financing in an essential for is part and it is essential for the conducting the business of the Company. All financial instruments measured at amortized cost, revenue or expense is recorded using the effective interest rate, which discounts exactly the estimated future cash receipts through the expected life of the financial instrument, or a shorter period of time, where applicable, the net book value of the asset. Interest income is included under financial services, composing the Company's gross profit in the income statement.

d) *Interest income*

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

e) *Barter revenue*

Revenues are recognized: (i) at the time of conclusion of the barter of land owned by GPA M&P at the fair value of the consideration received on the barter date, (ii) upon delivery of the units sold by GPA M&P. The cost of the units sold comprises the fair value of the initially recognized barter.

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4. **Significant accounting practices** -- Continued

u) Determination of net income -- Continued

(ii) *Cost of goods sold*

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

Bonuses received from vendors are measured based on contracts and agreements signed with vendors.

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

(iii) *Selling expenses*

Selling expenses comprise all store expenses, such as salaries, marketing, occupancy, maintenance, expenses with credit card companies, etc.

Marketing expenses refer to advertising campaigns for each segment in which the Company operates. The main media used by the Company are: radio, television, newspapers and magazines. These expenses are recognized in profit or loss for the year at the time of realization, net of amounts received from suppliers joining the campaigns.

(iv) *General and administrative expenses*

General and administrative expenses correspond to overhead and the cost of corporate units, including the purchasing and procurement, IT and financial areas.

(v) *Other operating expenses, net*

Other operating income and expenses correspond to the effects of major events occurring during the year that do not meet the definition for the other income statement lines.

(vi) *Financial result*

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

Finance income includes income generated by cash and cash equivalents and judicial deposits, gains related to the measurement of derivatives at fair value.

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4. Significant accounting practices -- Continued

v) Taxation

Current income and social contribution taxes

Current income and social contribution tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to calculate taxes are those in force or substantially in force at the balance sheet dates.

Income taxes comprise Corporate Income Tax (“IRPJ”) and Social Contribution on Net Income (“CSLL”), calculated based on taxable income (adjusted income), at the applicable rates set forth in the legislation in force: 15% on taxable income plus a 10% surtax on annual taxable income exceeding R$240 for IRPJ, and 9% for CSLL.

Deferred income and social contribution taxes

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

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

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

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

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

Deferred income and social contribution tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) in effect or substantively in effect at the end of the reporting period.

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

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

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4. Significant accounting practices -- Continued

v) Taxation -- Continued

Other taxes

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

Sales taxes

Revenue and expenses are recognized net of taxes, exceptwhere the sales tax incurred on the purchase of assets or services is not recoverable from the tax authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

w) Business combinations and goodwill

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

When the Company acquires a business, it assesses its financial assets and liabilities in order to the appropriately classify and designate them in accordance with contractual terms, economic circumstances and relevant conditions on the acquisition date. This includes the separation of derivatives embedded in agreements by the acquired company.

Should the business combination occur in phases, the fair value on the acquisition date of the interest previously held by the acquirer in acquired company is adjusted to fair value on the acquisition date through profit or loss.

Any contingent payment to be transferred by the acquirer will be recognized at fair value on the acquisition date. Subsequent changes in the fair value of the contingent payment considered as an asset or liability will be recognized through profit or loss or as a change in other comprehensive income.

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4. **Significant accounting practices** -- Continued

w) Business combinations and goodwill -- Continued

Goodwill is initially measured at cost and the excess between the consideration transferred and the non-controlling interest in acquired assets and assumed liabilities recognized. If this payment is lower than the fair value of the acquired subsidiary's net assets, the difference is recognized in profit or loss as gain from advantageous purchase.

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

When goodwill is part of a cash generating unit and part of the operation at this unit is sold, the goodwill related to the sold operation is included in the book amount of the operation when calculating profit or loss from the sale of the operation. This goodwill is then measured based on the relative amounts of the sold operation and part of the cash generating unit which was maintained.

x) Pension plan

The pension plan is funded through payments to insurance companies, which are classified as a defined contribution plan according to CPC 33 (IAS 19). A defined contribution plan is a pension plan whereby the Company pays fixed contributions to a separate legal entity. The Company has no legal or constructive obligation to pay additional contributions in relation to the plan's assets.

y) Customer loyalty programs

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

The Company estimates the fair value of the points granted according to the "Programa Mais" customer loyalty plan by applying statistical techniques, considering the maturity of the plan defined in the regulations.

z) Statement of value added

This statement is intended to evidence the wealth created by the Company and its distribution in a given year and is presented as required by Brazilian Corporate Law as part of its parent company and consolidated financial statements, as it is neither mandatory nor established by FRS.

This statement was prepared based on information obtained from accounting records which provide the basis for the preparation of the financial statements and in accordance with technical pronouncement CPC 09 – Statement of Value Added. The first part presents the wealth created by the Company, represented by revenue (gross sale revenue, including taxes, other revenue and the effects of the allowance for doubtful accounts), inputs acquired from third parties (cost of sales and acquisition of materials, energy and outsourced services, including taxes at the time of acquisition, the effects of losses and the recovery of assets, and depreciation and amortization) and value added received from third parties (equity in the earnings of subsidiaries, financial income and other revenues). The second part of the statement presents the distribution of wealth among personnel; taxes, fees and contributions; and value distributed to providers of capital and shareholders.

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5. Standards issued but not yet effective

Standards issued but not yet effective up to the date of the issuance of the Company's financial statements include the following standards and interpretations issued which the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective:

IFRS 9 – Financial instruments – Classification and Measurement (CPC38, 39 and 40) - IFRS 9 concludes the first part of the replacement project of "IAS 39 Financial Instruments: Recognition and Measurement". IFRS 9 uses a simple approach to determine if a financial asset is measured at amortized cost or fair value, based on the way an entity manages its financial instruments (its business model) and the characteristic contractual cash flow of financial assets. The standard also requires the adoption of only one method to determine asset impairment. This standard is effective for annual periods beginning on or after January 1, 2015, and the Company does not expect any significant impact as a result of the adoption.

IFRS 10 – Consolidated financial statements (CPC 36 (R3)) - IFRS 10 replaces SIC 12 and IAS 27 and applies to consolidated financial statements when an entity controls one or more other entities. This standard includes a new definition of control that contains three elements: a) power over the investee; b) exposure or right to variable returns from its interest in the investee; and c) the ability to use its power over the investee to affect investor returns. This standard is effective for annual periods beginning on or after January 1, 2013, and the Company does not expect any significant impact as a result of the adoption.

IFRS 11 – Joint arrangements (CPC 18 (R2)) - IFRS 11 replaces SIC 13 and IAS 31 and applies to jointly-controlled entities. In accordance with this standard, partnership agreements are classified as joint operations or joint ventures based on the rights and obligations of the parties to these agreements. Joint ventures should be accounted for by the equity method, while joint-controlled entities may be accounted for by the equity method or by the proportionate accounting method. This standard is effective for annual periods beginning on or after January 1, 2013. The Company analyzed the content of this standard, and its application will impact the Bartira joint venture, which, on January 1st, 2013, will cease to proportionally consolidate the statements of financial position and income (as shown in note 3e) and preliminarily, the Company evaluates the possibility of accounting by the equity method.

IFRS 12 – Disclosure of interests in other entities (CPC 45) - IFRS 12 addresses the disclosure of interests in other entities and is intended to enable users to know the risks, nature, and effects of said interests on the financial statements. This standard is effective for annual periods beginning on or after January 1 2013, and the Company does not expect any significant impact as a result of the adoption.

IFRS 13 – Fair value measurement (CPC 46) - IFRS 13 applies when other IFRS require or permit fair value measurements or disclosures (and measurements, such as fair value less cost of sales, based on fair value or disclosures relating to these measurements). This standard is effective for annual periods beginning on or after January 1, 2013, and the Company does not expect any significant impact as a result of the adoption.

IASB issued clarifications on IFRS standards and amendments. Below are the main amendments:

- IAS 1 – Presentation of financial statements (CPC 26 (R1)) – presentation of items under "Other comprehensive income", whose amendment is effective for annual periods beginning on or after July 1, 2012. This standard did not affect the Company's financial statements;

- IAS 27 – Consolidated and separate financial statements (CPC 36) – as a result of the future application of IFRS 10 and 12, what remains in this standard is restricted to the accounting for of subsidiaries, jointly-controlled entities and associates in separate financial statements, whose amendment is effective for annual periods beginning on or after January 1, 2013, and the Company does not expect any significant impact as a result of the adoption.

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5. Standards issued but not effective yet -- Continued

- IAS 28 – Investments in associates (CPC 18 (R2)) – as a result of the future application of IFRS 11 and 12, this standard is now IAS 28 – Investment in associates and joint ventures and describes the application of the equity method for investments in joint ventures, in addition to investments in associates, whose amendment is effective for annual periods beginning on or after January 1, 2013. The Company analyzed the content of this standard, and its application will impact the Bartira joint venture, which, on January 1st, 2013, will cease to proportionally consolidate the statements of financial position and income (as shown in note 3e) and preliminarily, the Company evaluates the possibility of accounting by the equity method.

- IAS 32 – Financial instruments – Disclosure (CPC 39) - adds guidance on offsetting financial assets and financial liabilities, which the amendment is effective for annual periods beginning on or after January 1, 2014, and the Company does not foresee any significant effect as a result of its adoption

There are no other standards or interpretations issued and not yet adopted that Management believes may have a material impact on the Company’s profit or loss or equity.

6. Significant accounting judgments, estimates and assumptions

Judgments, estimates and assumptions

The preparation of the parent company and consolidated financial statements requires Management to make judgments, estimates and assumptions that impact the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the year; however, uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amount of the asset or liability impacted in future years. In the process of applying the Company's accounting policies, Management has made the following judgments, which have the most significant impact on the amounts recognized in the parent company and consolidated financial statements:

a) *Financial lease commitments – Company as a lessee*

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

b) *Impairment*

According to the method disclosed in note 4 (i), the Company performed test to verify that the assets might not be recoverable and the year ended December 31, 2012, based on those tests, there was no need for the provision.

The procedure for verification of non-recoaverability of property and equipments, consisted in allocating operating assets and intangible assets (such as Commercial rights) directly attributable to the Cash Generanting Units – UGC (stores). The steps of the test were as follows:

- Step 1: compared the carrying amount of UGCs with a multiple of sales (30%), representing transactions between retail companies. For UGCs multiple-valued lower than the carrying amount, we come to a more detailed method, described in Step 2;

- Step 2: we prepare the discounted cash flow of UGC, using sales growth of between 5.1% and 6.7% until the 5^{th} year, and growth of 2% above inflation for the 6^{th} year onwards. The discount rate used was 10.8%.

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

c) *Income taxes*

Given the nature and complexity of the Company’s business, the differences between actual results and assumptions, or future changes to such assumptions, could result in future adjustments to already recorded tax revenue and expenses. The Company and its subsidiaries record provisions, based on reasonable estimates, for the eventual consequences of audits by the tax authorities of the respective countries in which it operates. The amount of these provisions is based on various factors, such as previous tax audits and different interpretations of tax regulations by the taxpayer and the appropriate tax authority. Such differences in interpretation may refer to a wide range of issues, depending on the conditions prevailing in the respective entity's domicile.

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

The Company and its subsidiaries’ tax losses carryforward amounting to a tax benefit of R$796,771 at December 31, 2012 (R$764,524 at December 31, 2011). These losses do not expire, therefore their use is limited by law to 30% of taxable income for each year. The amounts relate to the Company and its subsidiaries that have tax planning opportunities for the use of these balances.

Further details on taxes are disclosed in Note 22.

d) *Fair value of derivatives and other financial instruments*

When the fair value of financial assets and liabilities recorded in the financial statements cannot be obtained in active markets, it is determined according to the hierarchy set by technical pronouncement CPC 38 (IAS39), which establishes certain valuation techniques, including the discounted cash flow model. The data for these models are obtained, whenever possible, from observable markets or from information on comparable operations and transactions in the market. The judgments include the analyses of data, such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors may affect the reported fair value of financial instruments.

The fair value of financial instruments actively traded on organized markets is determined based on market quotes, at the end of the reporting periods, without deducting transaction costs. For financial instruments not actively traded, the fair value is based on valuation techniques defined by the Company and compatible with usual market practices. These techniques include the use of recent market arm's length transactions, the benchmarking of the fair value of similar financial instruments, the analysis of discounted cash flows or other valuation models.

When the fair value of financial assets and liabilities recorded in the balance sheet cannot be observed in active markets, it is determined by valuation techniques, including the discounted cash flow method. The inputs used by these methods are collected from the market, where applicable. When these inputs are not available, judgment is required to determine the fair value. This judgment considers liquidity risk, credit risk and volatility. Changes in assumptions for these factors may affect the fair value of the financial instruments.

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

e) *Share-based payments*

The Company measures the costs of transactions with employees eligible to share-based remuneration based on the fair value of the equity instruments on the grant date. Estimating the fair value of share-based payment transactions requires determining the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs for the valuation model, including the expected useful life of the stock options, volatility and dividend yield, as well as making assumptions about them. The assumptions and models used to estimate the fair value of share-based payment transactions are disclosed in Note 27 f).

f) *Provision for contingencies*

The Company and its subsidiaries are parties to several judicial and administrative proceedings, see note n° 24. Provisions for legal claims are recognized for all cases representing reasonably estimated probable losses. The assessment of the likelihood of loss takes into account available evidence, the hierarchy of laws, former court decisions and their legal significance, as well as the legal counsel's opinion. The Company's management believes that the provisions for tax, civil and labor claims are adequately presented in the parent company and consolidated financial statements.

7. Cash and cash equivalents

	Rate (a)	Parent Company 12.31.2012	Parent Company 12.31.2011	Consolidated 12.31.2012	Consolidated 12.31.2011
Cash on hand and bank accounts		**230,183**	144,507	**490,616**	399,133
Financial investments:					
Itaú BBA	100.2%	**370,448**	549,678	**1,430,672**	1,001,876
Itaú – Fundo Delta	101.1%	**706,458**	1,069,170	**1,831,692**	1,738,612
Banco do Brasil	101.5%	**722,665**	400,167	**1,376,813**	631,716
Bradesco	102.7%	**684,409**	118,051	**1,494,352**	852,626
Santander	102.5%	**61,744**	3,080	**62,692**	110,996
Caixa Econômica Federal	98.7%	**3,046**	2,812	**4,104**	2,812
Votorantim	100.8%	**2,196**	2,640	**5,850**	7,433
Safra	100.7%	**83,873**	1,826	**337,682**	156,317
Other	(b)	**25,309**	36,852	**49,778**	68,434
		2,890,331	2,328,783	**7,086,251**	4,969,955

(a) Financial investments at December 31, 2012 and 2011 earn interest by the Interbank Deposit Certificate – CDI rate.

(b) Refer to automatic investments at the end of each months.

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8. Trade accounts receivable

	Parent Company		Consolidated	
	12.31.2012	**12.31.2011**	**12.31.2012**	**12.31.2011**
Credit card companies (a)	**146,114**	144,227	**421,384**	454,648
Sales vouchers	**124,845**	92,810	**181,251**	151,311
Consumer finance - CDCI (b)	**-**	-	**2,078,439**	1,937,410
Consumer finance – Bradesco	**-**	-	**-**	25,606
Credit sales with post-dated checks	**2,537**	984	**4,004**	4,010
Trade accounts receivable from wholesale customers	**-**	-	**30,016**	49,106
Trade accounts receivable – FIDCs (c)	**-**	928,225	**-**	2,558,726
Private label credit card – interest-free installment payments	**22,356**	19,214	**22,360**	19,214
Trade accounts receivable from related parties	**192,430**	197,758	**-**	-
Accounts receivable from vendors (f)	**438,459**	336,545	**571,549**	447,398
Adjustment to present value (d)	**-**	-	**(5,488)**	(10,823)
Allowance for doubtful accounts (e)	**(81)**	-	**(189,492)**	(210,970)
Others receivables	**-**		**94,940**	11,864
Current	**926,660**	1,719,763	**3,208,963**	5,437,500
Consumer finance – CDCI	**-**	-	**117,487**	117,783
Allowance for doubtful accounts (e)	**-**	-	**(8,988)**	(6,998)
Noncurrent	**-**	-	**108,499**	110,785
	926,660	1,719,763	**3,317,462**	5,548,285

a) <u>Credit card companies</u>

Credit card sales are receivable from the credit card management companies. In the subsidiaries Via Varejo, NCB and Nova Pontocom, credit card payments related to the sale of home appliances are receivable in installments of up to 24 months. Such receivables are sold to banks or credit card companies in order to obtain working capital. The average rate used in 12 months for these sale transactions was 110.00% of the CDI (*"Cerificado de Depósito Interbancário).*

b) Consumer finance – CDCI – Via Varejo

Refers to direct consumer credit through an intervening party (CDCI), which can be paid in up to 24 installments, however, are substantially less thas 12 months.

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

c) Trade accounts receivable - FIDCs

The Company and its subsidiaries carry out securitization operation of their credits rights, mainly represented by credit sales, voucher sales and receivables from credit card companies, with PAFIDC and Globex FIDC. The accumulated volume of operations was R$9,681,225 at December 31, 2012 (R$9,477,372 at December 31, 2011) for PAFIDC and R$3,331,757 (R$3,948,543 at December 31, 2011) for Globex FIDC, in which the responsibility for services rendered and subordinated interests were retained. The consolidated securitization costs of such receivables amounted to R$107,409 at December 31, 2012 (R$126,781 at December 31, 2011) for PAFIDC and R$101,068 (R$153,373 at December 31, 2011) for Globex FIDC, recognized as financial expenses in the income statement.

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8. Trade accounts receivable -- Continued

c) Trade accounts receivable – FIDCs -- Continued

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

There are no more receivables balances in PAFIDC and Globex FIDC at December 31, 2012 (R$928,225 in the parent company and R$2,591,148 in the consolidated at December 31, 2011) The balance of portfolio PAFIDC was settled on December 26, 2012 and the balance of portfolio of Globex FIDC was settled on December 14, 2012.

Considering the restructuring of the funds described in Note 10, in December 2012, the Company sold R$491,302 receivables from credit card providers, banks or directly to operators, without any right of recourse or obligation related. The average rate used for these sales transactions were 109.00% of CDI.

d) Adjustment to present value

The discount rate used by the subsidiary NCB considers current market valuations of the time value of money and the asset's specific risks. Credit sales with the same cash value were carried to their present value on the transaction date, in view of their terms, adopting the monthly average rate of receivables anticipation with credit card companies. In the year ended December 31, 2012 these rates averaged 0.72%

per month (0.97% per month at December 31, 2011).

e) Allowance for doubtful accounts

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

	Parent Company		Consolidated	
	12.31.2012	**12.31.2011**	**12.31.2012**	**12.31.2011**
At the beginning of the year	**-**	-	**(217,968)**	(180,964)
Allowance recorded	**(442)**	-	**(324,720)**	(273,279)
Amounts recovered	**361**	-	**258**	2,055
Allowance write-offs	**-**	-	**343,950**	234,220
At the end of the year	**(81)**	-	**(198,480)**	(217,968)
Current	**(81)**	-	**(189,492)**	(210,970)
Noncurrent	**-**	-	**(8,988)**	(6,998)

Below we present the composition of receivables on a gross basis by maturity period:

			Past-due receivables			
	Total	**Falling due**	**<30 days**	**30-60 days**	**61-90 days**	**>90 days**
12.31.2012	**3,515,942**	**3,338,809**	**91,796**	**32,820**	**21,823**	**30,694**
12.31.2011	5,766,253	5,577,771	116,461	34,586	22,491	14,944

f) Accounts receivable from vendors

It includes bonuses and discounts obtained from suppliers. These amounts are established in agreements and include amounts for discounts on purchase volumes, joint marketing programs, freight reimbursements, and other similar programs.

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9. Other accounts receivable

	Parent Company		**Consolidated**	
	12.31.2012	**12.31.2011**	**12.31.2012**	**12.31.2011**
Accounts receivable related to sale of property and equipment	**11,345**	8,391	**78,821**	58,686
Cooperative advertising with vendors	**-**	-	**51,939**	50,617
Advances to suppliers	**7,839**	6,613	**10,396**	7,885
Amounts to be reimbursed	**12,274**	27,813	**102,427**	122,070
Accounts receivable from services rendered	**-**	3,491	**3,189**	4,430
Rental receivable	**13,110**	10,432	**17,630**	14,896
Other accounts receivable – PAFIDC	**-**	-	**-**	62,412
Loans to employees	**-**	-	**10,004**	8,208
Boa Esperança Supermarket	**-**	8,393	**-**	8,393
Sendas S.A.	**-**	19,144	**-**	19,144
Accounts receivable – Paes Mendonça (a)	**-**	-	**484,008**	445,056
Other	**2,313**	2,590	**19,460**	15,893
	46,881	86,867	**777,874**	817,690
Current	**21,141**	40,131	**221,477**	279,621
Noncurrent	**25,740**	46,736	**556,397**	538,069

a) Accounts receivable – Paes Mendonça

Accounts receivable from Paes Mendonça relate to amounts deriving from the payment of third-party liabilities by the subsidiaries Novasoc and Sendas. Pursuant to contractual provisions, these trade accounts receivable are monetarily restated (General Market Price Index – IGP-M) and guaranteed by commercial lease rights (“Commercial rights”) of certain stores currently operated by the Company, Novasoc and Sendas. The maturity of the trade accounts receivable is linked to the lease agreements, which expire in 2014.

10. Receivables securitization fund

At December 2012, GPA transferred a part of its credit card receivables and sales voucher with two receivables securitization funds established for this purpose, the Globex FIDC and PAFIDC.

At December 31, 2011, the capital structure of PAFIDC comprised 10,295 senior quotas held by third parties (“Banco Rabobank”), in the amount of R$1,235,901, representing 89.90% of the fund’s equity, and 2,864 subordinated quotas held by the Company (CBD) and its subsidiaries, in the amount of R$138,849, representing 10.10% of the fund’s equity. The subordinated quotas were assigned to the Company, and were recorded in noncurrent assets as participation in the securitization fund, with the amount of R$124,276.

At December 31, 2011, the capital structure of GlobexFIDC comprised 11,666 senior quotas held by third parties (investors in the capital market), in the amount of R$1,184,522, representing 85.00% of the fund´s equity and 1,910 subordinated quotas held by the Via Varejo, in the amount of R$209,068, representing 15.00% of the fund´s equity.

The interest held in subordinated quotas represented the maximum exposure to securitization losses.

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10. Receivables securitization fund -- continued

The interest rate of senior quotas is as follows:

Consolidated

		12.31.2012		12.31.2011	
Quotaholders	**Amount**	**CDI rate**	**Redeemable balance**	**CDI rate**	**Redeemable balance**
Senior A – PAFIDC	5,826	-	-	108.00%	758,660
Senior B – PAFIDC	4,300	-	-	108.00%	207,614
Senior C – PAFIDC	169	-	-	108.00%	269,627
Senior – 1st series – Globex FIDC	11,666	-	-	107.75%	1,184,522
			-		2,420,423
Current			-		1,235,901
Noncurrent			-		1,184,522

Subordinated quotas have the risk of absorbing any losses on receivables transferred and any losses attributed to the fund. The holders of senior quotas have no right of recourse against the other assets of the Company and its subsidiaries in the event of customer default.

2012 fund restructuring

In order to change its policy of sales of receivables, the Company negotiated changes to its receivables funds, as follows:

a) PAFIDC: There was a change in the bylaw of PAFIDC approved at the General Meeting of Shareholders of December 21, 2012. in which the Company no longer has interest or obligation to the Fund. The Fund had its name changed to denominate Multicredit FIDC and no longer holds, exclusively, GPA receivables.

Therefore, as GPA no longer has any interest in the current FIDC and has no obligation to absorb any of the expected risks of the fund's assets, the Fund ceased to be consolidated on December 26, 2012.

b) Globex FIDC: The operations of discounted receivables by credit card through the Globex FIDC were closed on December 14, 2012, in mutual agreement with the senior quotaholders.

Thus, the senior quotas were paid to quotaholders by the fund and on December 31, 2012, remained in the fund balance of cash and obligations in counterpart to subordinated quotas will be redeemed, thus concluding the process of liquidation of the fund during the first quarter 2013.

With this restructuring Via Retail began carrying out the operation of discount of the receivables, as described in note 8 c).

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11. Inventories

	Parent Company		Consolidated	
	12.31.2012	**12.31.2011**	**12.31.2012**	**12.31.2011**
Stores	**1,288,127**	1,172,026	**2,890,345**	3,489,429
Distributions centers	**892,962**	796,600	**3,037,565**	2,292,992
Inventories in construction (d)	**-**	-	**172,280**	14,000
Bonus in inventories (a)	**(40,251)**	(46,908)	**(99,453)**	(130,304)
Provision for obsolescence/losses and breakage (b)	**(8,141)**	(6,780)	**(53,126)**	(75,809)
Present value adjustment (c)	**-**	-	**(15,683)**	(23,539)
	2,132,697	1,914,938	**5,931,928**	5,566,769
Current	**2,132,697**	1,914,938	**5,759,648**	5,552,769
Noncurrent	**-**	-	**172,280**	14,000

a) Bonuses in inventories

The Company records bonuses received from vendors in the income statement as the inventories, that gave rise to the bonuses are realized.

b) Provision for obsolescence/losses and breakage

	Parent Company		Consolidated	
	12.31.2012	**12.31.2011**	**12.31.2012**	**12.31.2011**

At the beginning of the year	**(6,780)**	(8,921)	**(75,809)**	(51,906)
Additions	**(5,132)**	(3,878)	**(59,311)**	(271,810)
Write-offs	**3,771**	6,019	**81,994**	247,907
At the end of the year	**(8,141)**	(6,780)	**(53,126)**	(75,809)

c) Present value adjustment – Via Varejo

The adjustment to present value of inventories refers to the corresponding entry of the adjustment to present value of the trade accounts payable of the subsidiary NCB. For the Company and other subsidiaries, Management did not record the present value adjustment since the operations are short term and it considers the effect of said adjustments to be irrelevant when compared to the financial statements taken as a whole.

d) Inventories of real estate units under construction

The amount of inventories of real estate units under construction refers to the fair value of the barter of land for real estate units (Note 28).

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12. Recoverable taxes

	Parent Company		Consolidated	
	12.31.2012	**12.31.2011**	**12.31.2012**	**12.31.2011**
Taxes on sales	**63,389**	176,986	**609,977**	434,531
State value-added tax on sales and services - ICMS recoverable (a)	**41,637**	169,829	**575,236**	262,242
Social Contribution Tax on Gross Revenue for the Social Integration Program and Social Contribution Tax on Gross Revenue for Social Security Financing - PIS/COFINS recoverable	**21,752**	7,157	**34,741**	172,289
Income tax	**40,270**	110,532	**115,635**	250,691
Financial investments	**36,381**	63,479	**70,157**	171,066
Other	**3,889**	47,053	**45,478**	79,625
Other	**90,055**	126,203	**145,409**	222,480
ICMS recoverable from property and equipment (a)	**-**	10,594	**23,175**	52,733
ICMS tax substitution (a)	**88,261**	93,741	**88,261**	94,291
Social Security Contribution - INSS	**-**	-	**29,338**	43,497
Other	**1,794**	22,469	**4,753**	33,199
Present value adjustment (a)	**-**	(601)	**(118)**	(1,240)
Current	**193,714**	413,721	**871,021**	907,702
Taxes on sales	**150,333**	-	**1,144,790**	687,925
ICMS recoverable (a)	**150,333**	-	**994,077**	677,095
PIS/COFINS recoverable	**-**	-	**150,713**	10,830
Other	**67,318**	24,526	**86,852**	42,073

ICMS recoverable from property and equipment (a)	**-**	31,781	**6,679**	55,306
Present value adjustment (a)	**-**	(7,255)	**(680)**	(13,233)
Social Security Contribution - INSS	**67,318**	-	**80,853**	-
Noncurrent	**217,651**	24,526	**1,231,642**	729,998
	411,365	438,247	**2,102,663**	1,637,700

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12. Recoverable taxes -- Continued

(a) The full realization of ICMS over the next five years will occur as follows:

	Parent Company	Consolidated
Up to one year	**129,898**	**686,554**
2014	**98,140**	**535,329**
2015	**33,807**	**335,118**
2016	**8,439**	**99,788**
2017	**9,947**	**29,841**
	280,231	**1,686,630**

Management prepared a technical feasibility study on the future realization of the ICMS tax, considering the expected future off-set of debits arising from the operations. This study was prepared based on information extracted from the strategic planning approved by the Board of Directors of the Company.

13. Related parties

a) Sales, purchases of goods, services and other operations.

	Parent Company	Consolidated

	12.31.2012	12.31.2011	12.31.2012	12.31.2011
Customers				
Subsidiary:				
Novasoc Comercial	**41,395**	42,232	-	-
Sé Supermercados	**91,009**	91,146	-	-
Sendas Distribuidora	**55,121**	57,312	-	-
Barcelona	**1,865**	5,137	-	-
Xantocarpa	**-**	1	-	-
Via Varejo	**1,858**	1,176	-	-
Nova Pontocom (xii)	**1,182**	754	-	-
	192,430	197,758	-	-
Suppliers				
Subsidiary:				
Novasoc Comercial	**14,627**	8,482	-	-
Sé Supermercados	**4,526**	4,662	-	-
Sendas Distribuidora	**12,883**	17,984	-	-
Barcelona	**2,809**	1,923	-	-
Xantocarpa	**590**	1,530	-	-
Via Varejo	**1,936**	1,721	**-**	-
Nova Pontocom (xii)	**1,127**	1,148	**-**	-
Associates:				
FIC	**10,905**	8,574	**13,673**	10,679
Dunnhumby (xiv)	**20**	186	**20**	186
Joint Ventures:				
Indústria de Móveis Bartira Ltda. (xiii)	**-**	-	**35,984**	58,158
Others related parties:				
Globalbev Bebidas e Alimentos	**2,928**	2,586	**3,422**	3,012
Bravo Café	**212**	231	**213**	231
Fazenda da Toca Ltda (xv)	**475**	222	**560**	254
Sykué Geração Energia	**127**	-	**341**	-
Axialent	**-**	307	**-**	310
	53,165	49,556	**54,213**	72,830

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13. Related parties -- Continued

a) Sales, purchases of goods, services and other operations -- Continued

	Parent Company		Consolidated	
	12.31.2012	12.31.2011	12.31.2012	12.31.2011
Sales				
Subsidiary:				
Novasoc	**359,134**	340,064	**-**	**-**
Sé Supermercados	**838,015**	808,432	**-**	**-**
Sendas Distribuidora	**367,007**	326,680	**-**	**-**
Barcelona	**1,591**	9,299	**-**	**-**
Via Varejo S.A.	**-**	4	**-**	**-**
Nova Pontocom (xii)	**-**	15,671	**-**	**-**
Nova Casa Bahia	**19**	1,926	**-**	**-**
	1,565,766	1,502,076		
Purchases				
Subsidiary:				
Novasoc Comercial	**7,377**	3,995	**-**	**-**
Sé Supermercados	**10,510**	13,636	**-**	**-**
Sendas Distribuidora	**47,490**	34,494	**-**	**-**
Nova Pontocom (xii)	**19**	-	**-**	-
E-HUB Cons. Part. e Com. S.A.	**767**	217	**-**	-
ECQD Participações	**-**	2	**-**	-
Joint Ventures:				
Indústria de Móveis Bartira Ltda. (xiii)	**-**	-	**449,392**	348,392
Others related parties:				
Globalbev Bebidas e Alimentos	**11,808**	10,227	**14,175**	9,992
Bravo Café	**1,590**	1,589	**1,600**	1,209
Sykué Geração de Energia (vii)	**4,018**	5,432	**13,748**	22,318

Fazenda da Toca Ltda. (xv)	**6,105**	3,083	**6,934**	2,375
	89,684	72,675	**485,849**	384,286

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13. **Related parties** -- Continued

a) Sales, purchases of goods, services and other operations -- Continued

	Parent Company		Consolidated	
	12.31.2012	**12.31.2011**	**12.31.2012**	**12.31.2011**
Assets				
Controller				
Casino (i)	**-**	7,898	**-**	7,898
Subsidiary:				
Novasoc (ix)	**56,046**	18,994	**-**	-
Sé Supermercados (ix)	**-**	40,313	**-**	-
Sendas Distribuidora (ix)	**1,262,060**	889,455	**-**	-
Xantocarpa	**21,069**	18,698	**-**	-
Barcelona (ix)	**-**	88,030	**-**	-
Nova Pontocom (xii)	**24,557**	15,059	**-**	-
GPA M&P	**20,501**	-	**-**	-
Vancouver (xxi)	**83,848**	3,183	**-**	-
Nova Casa Bahia	**806**	5	**-**	-
Salim Maluf gas station (ix)	**453**	-	**-**	-
Santo André gas station (ix)	**170**	-	**-**	-
Convenience store (ix)	**109**	-	**-**	-
Império gas station (ix)	**477**	-	**-**	-
Lapa gas station (ix)	**343**	-	**-**	-
Ciara gas station (ix)	**340**	-	**-**	-
Rede Duque (xxiii)	**-**	-	**472**	-
Associates:				
FIC (iv)	**-**	-	**-**	3,634
Others related parties:				

Vedra	**20**	20	**-**	-
Casa Bahia Comercial Ltda. (v)	**-**	-	**103,236**	55,243
Management of Nova Pontocom (vi)	**37,082**	34,209	**37,082**	34,209
Audax SP (x)	**22,335**	20,746	**22,335**	20,728
Audax Rio (x)	**3**	-	**6,957**	9,378
Other	**2,090**	6,421	**2,082**	2,325
	1,532,309	1,143,031	**172,164**	133,415
Liabilities				
Controller				
Casino (i)	**1,242**	-	**1,242**	-
Fundo Península (ii)	**15,756**	15,256	**16,218**	15,772
Subsidiary:				
Sé Supermercados (ix)	**1,246,051**	-	**-**	-
Barcelona (ix)	**621,580**		**-**	
Via Varejo(xi)	**332,609**	153,212	**-**	-
Bellamar	**14,283**	-	**-**	-
Nova Pontocom (xii)	**-**	959	**-**	-
P.A. Publicidade	**11,775**	7,601	**-**	-
Associates:				
FIC (iv)	**4,033**	7,900	**1,742**	11,764
Joint Ventures				
Indústria de Móveis Bartira Ltda. (xiii)	**-**	-	**62,439**	-
Others related parties:				
Casa Bahia Comercial Ltda. (v)	**-**	-	**-**	342
Others	**-**	3,344	**-**	-
	2,247,329	188,272	**81,641**	27,878

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13. Related parties -- Continued

a) Sales, purchases of goods, services and other operations -- Continued

	Parent Company		Consolidated	
	12.31.2012	**12.31.2011**	**12.31.2012**	**12.31.2011**
Revenue (expenses)				
Controller				
Casino (i)	**(5,511)**	(5,061)	**(5,511)**	(5,061)
Fundo Península (ii)	**(148,897)**	(142,823)	**(156,707)**	(148,460)
Diniz Group (iii)	**(18,974)**	(17,553)	**(18,974)**	(18,776)
Wilkes Participações (xx)	**(2,803)**	(2,259)	**(2,803)**	(2,259)
Novasoc (ix)	**8,713**	7,715	**-**	-
Subsidiary:				
Sé Supermercados (ix)	**22,272**	20,109	**-**	-
Sendas Distribuidora (ix)	**53,694**	51,937	**-**	-
Audax SP (x)	**(13,172)**	(13,340)	**(13,172)**	(13,340)
Audax Rio (x)	**-**	-	**(13,834)**	(13,603)
Associates:				
FIC (iv)	**17,027**	-	**19,272**	1,842
Dunnhumby (xiv)	**(807)**	(334)	**(807)**	(334)
Joint Ventures				
Indústria de Móveis Bartira Ltda. (xiii)	**-**	-	**(139)**	-
Others related parties:				
Sykué Consultoria em Energia Ltda. (viii)	**(828)**	(382)	**(2,019)**	(382)
Casa Bahia Comercial Ltda. (v)	**-**	-	**(152,033)**	(141,183)
Administradores da Nova Pontocom (vi)	**2,873**	3,555	**2,873**	3,555
Axialent Consultoria (xxii)	**(1,840)**	(2,921)	**(1,840)**	(2,921)
Habile Segurança e Vigilância Ltda (xix)	**-**	-	**(30,117)**	(38,719)
Pão de Açúcar Indústria e Comércio (xviii)	**(8,400)**	(8,400)	**(8,400)**	(8,400)

	(96,653)	(109,757)	**(384,211)**	(388,041)

Transactions with related parties refer mainly to transactions between the Company and its subsidiaries and other related entities and were substantially accounted for in accordance with the prices, terms and conditions agreed between the parties, including:

i. *Casino:* Technical Assistance Agreement, signed between the Company and Casino on July 21, 2005, whereby, in exchange for the annual payment of US$2,727 thousand, it transfers administrative and financial expertise. This agreement is effective for seven years, with automatic renewal for an indeterminate term. As of the seventh year, the annual payment will total US$1,818 thousand. This agreement was approved by the Extraordinary General Meeting held on August 16, 2005.

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

iii. *Diniz Group:* lease of 15 properties to the Company and 2 properties to Sendas.

iv. *FIC:* (i) refund of expenses arising from the infrastructure agreement, such as: expenses related to the cashiers' payroll, and commissions on the sale of financial products (ii) financial expenses related to the sale of receivables (named "financial discount") and (iii) property rental revenue; and (iv) the cost apportionment agreement.

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13. Related parties -- Continued

a) <u>Sales, purchases of goods, services and other operations</u> -- Continued

v. *Casa Bahia Comercial Ltda.:* Via Varejo has an accounts receivable related to the "First Amendment to the Shareholders´ Agreement" between Via Varejo, GPA and Casa Bahia Comercial, which guarantees to Via Varejo the right to be rembursed by Casa Bahia for certain contingencies or expenses recognized that may be payable by Via Varejo as from June 30, 2010 (see xii).

Additionally, Via Varejo and its subsidiary NCB have lease agreements for distribution centers and commercial and administrative buildings entered into under specific conditions with the Management of Casa Bahia Comercial.

vi. *Management of Nova Pontocom:* on November 2010, in the context of the restructuring of GPA's e-commerce business, the Company granted to certain statutory members of Nova Pontocom's management a loan amounting to R$10,000 and entered into a swap agreement in the amount of R$20,000, both maturing on January 8, 2018 and duly restated.

vii. *Sykué Geração de Energia:*acquisition of power in the free market to supply several of the Company's consumer units.

viii. *Sykué Consultoria em Energia Ltda:* energy supply planning services, including projection of energy consumption for each consumer unit, during 102 months (economic feasibility study of the costs to maintain the stores in the captive market or in the free market) and regulatory advisory services with the Brazilian Electricity Regulatory Agency - ANEEL), the spot market – CCEEand NOS.

ix. *Novasoc, Sé Supermercados, Sendas Distribuidora, Barcelona, Salim Maluf Gas Station, Santo André Gas Station, Império Gas Station, Lapa Gas Station, Ciara Gas Station and Convenience Store:*include amounts arising from the use of the shared service center, such as treasury, accounting, legal and others, and commercial operation agreements, business mandate and intercompany loans.

x. *Audax*: loans to the football clubs Audax SP and Audax RJ, addition to the financial support in training professional athletes.

xi. *Via Varejo*: the entity has trade accounts payable related to the "First Amendment to the Shareholders´ Agreement" between Via Varejo and Casa Bahia, which guarantees the right to be rembursed for certain contingencies, or reimbursement expenses, recognized as from June 30, 2010 (see v), as well as the business mandate.

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13. Related parties -- Continued

a) Sales, purchases of goods, services and other operations -- Continued

xii. *Nova Pontocom*: amounts arising from the use of the shared service center, such as treasury, accounting, legal and other, and loans remunerated at 105% of CDI.

xiii. *Indústria de Móveis Bartira Ltda.*: amounts arising from infrastructure expenses and the purchase and sale of goods.

xiv. *Dunnhumby*: information management service agreement.

xv. *Fazenda da Toca Ltda.*: contract for the supply of organic eggs, conventional oranges and organic juices, etc.

xvi. *Duque Comércio e Participações Ltda. and Posto de Serviços 35 Ltda.*: agreement for quota call and put options (Posto Vereda Tropical, Rebouças and Barueri), see note 15 (ii).

xvii. *Flyligth*: aircraft lease agreement.

xviii. *Pão de Açúcar S.A. Indústria e Comércio*: equipment lease agreement.

xix. *Habile Segurança e Vigilância Ltda.*to Via Varejo through its subsidiary Nova Casa Bahia S.A., conducted security services operations.

xx. *Wilkes*: commissions paid related to the Company's loan agreements in which Wilkes is a guarantor.

xxi. *Vancouver:* amounts transferred by the parent company for future capital increase.

xxii. *Axialent Consultoria*: human resources advisory service agreement.

xxiii. *Rede Duque*: represents the loan agreement between Vancouver and the gas stations Vereda Tropical, Rebouças and Barueri.

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13. **Related parties** -- Continued

b) Management and Fiscal Council's remuneration

The expenses related to the compensation of senior management (officers appointed pursuant to the Bylaws, the Board of Directors and Pension Plan), recorded in the consolidated income statement for the year ended December 31, 2012, were as follows:

	In relation to total compensation at December 31, 2012			
	Regular Rate of Pay	Variable Remuneration	Stock Option Plan	Total
Board of Directors (*)	7,924	-	-	7,924
Board of Executive Officers	17,002	23,051	20,662	60,715
Fiscal Council	486	-	-	486
	25,412	23,051	20,662	69,125

	In relation to total compensation at December 31, 2011			
	Regular Rate of Pay	Variable Remuneration	Stock Option Plan	Total

Board of Directors (*)	7,836	-	-	7,836
Board of Executive Officers	19,176	25,610	16,643	61,429
Fiscal Council	504	-	-	504
	27,516	25,610	16,643	69,769

(*) Remuneration according to the number of participants in the meeting.

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14. Investments

a) Breakdown of investments

					Parent Company			
	Sé	Sendas	Novasoc	Via Varejo (*)	Nova Pontocom	NCB (*)	Barcelona	Bellama
Balances on 12.31.2010	1,702,505	35,378	30,041	1,337,715	18,994	835,689	-	
Additions	-	-	-	-	-	-	-	
Exchange rate variation	-	-	-	-	-	-	-	
Write-off	(152,074)	(36,655)	(11,271)	-	-	-	-	
Equity pickup	220,394	36,014	36,407	43,327	10,478	20,815	-	
Godwill not merged	109,454	-	-	-	-	-	-	
Gain/(loss)	-	-	-	838	964	-	-	
Balances on 12.31.2011	1,880,279	34,737	55,177	1,381,880	30,436	856,504	-	
Additions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
Spinoff	**(515)**	**(504)**	**-**	**-**	**-**	**-**	**-**	
Exchange rate variation	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
Write-off	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
Merger	**628,077**	**292,336**	**(5,445)**	**-**	**-**	**-**	**698,954**	**199,53**
Equity pickup	**272,800**	**30,863**	**42,385**	**168,087**	**1,134**	**(35,847)**	**-**	
Dividends receivable	**-**	**-**	**-**	**(2,458)**	**-**	**-**	**-**	
Gain/(loss)	**(2,837)**	**(210)**	**-**	**1,086**	**415**	**-**	**-**	
Balances on 12.31.2012	**2,777,804**	**357,222**	**92,117**	**1,548,595**	**31,985**	**820,657**	**698,954**	**199,53**

(*) In the case of NCB, the investment amount refers to the effects of fair value measurements recorded in connection with the business combination. For Via Varejo, these effects of fair value were considered together with the accounting investments held in this subsidiary.

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14. Investments -- Continued

a) Breakdown of investments -- Continued

	Consolidated				
	FIC (ii)	**BINV**	**Bartira (i)**	**Other**	**Total**
Balances on 12.31.2010	213,294	11,810	-	7,436	232,540
Additions	-	-	-	112	112
Fair value investments - Bartira	-	-	86,872	-	86,872
Write-offs	-	(14,223)	-	(4)	(14,227)
Equity pickup	29,953	4,872	-	-	34,825
Transfer	(10,179)	17,263	-	(7,084)	-
Balances on 12.31.2011	233,068	19,722	86,872	460	340,122
Additions	**-**	**-**	**-**	**4**	**4**
Equity pickup	**10,245**	**575**	**-**	**(1)**	**10,819**
Dividends receivable	**(11,473)**	**(1,553)**	**-**	**-**	**(13,026)**
Gain equity interest	**24,510**	**-**	**-**	**-**	**24,510**
Balances on 12.31.2012	**256,350**	**18,744**	**86,872**	**463**	**362,429**

(i) Surplus value of investment held in Bartira

It refers to the measurement of the investment currently held by NCB of 25% of Bartira's capital stock at fair value by the income approach, considering the present value of directly or indirectly generated future benefits assessed and quantified in the form of cash flow. The asset was recognized at the time of the business combination between CB and Casa Bahia.

This asset was subject to impairment testing under the same calculation criteria of goodwill on investments; therefore, it is not necessary to record a provision for impairment.

(ii) *FIC*

FIC's summarized financial statements are as follows:

	Consolidated	
	12.31.2012	**12.31.2011**
Current assets	**3,384,723**	3,485,365
Noncurrent assets	**43,171**	201,785
Total assets	**3,427,894**	3,687,150
Current liabilities	**2,768,570**	3,008,357
Noncurrent liabilities	**18,710**	52,446
Equity	**640,614**	626,347
Total liabilities and equity	**3,427,894**	3,687,150

	12.31.2012	**12.31.2011**
Income statement:		
Revenue	**897,814**	911,643
Operating income	**66,671**	75,849
Net income	**39,268**	77,509

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14. Investments -- Continued

For the purposes of calculating the investment, the investee's equity should be deducted from the special goodwill reserve, which is the exclusive right of Itaú Unibanco.

The summarized financial statements of the investees Via Varejo and Nova Pontocom are presented in Note 35.

15. Business combinations

Acquisition of Rede Duque

Context of the operation

In 2009, the Company signed an Agreement for Outsourcing Management ("Management Agreement") with Rede Duque for a 20-year term, whereby the Company would conduct the operational and financial management of 39 Rede Duque gas stations through its subsidiary Vancouver Empreendimentos e Participações Ltda. ("Vancouver"), in exchange for payment based on these gas stations' results.

On May 28, 2012, the Management Agreement was terminated and, as part of the termination, pursuant to the Agreement for Share Purchase and Other Covenants, Vancouver acquired all the shares of five gas stations (“Acquired Gas Stations”) and established a partnership with Rede Duque in three other gas stations through the acquisition of shares representing 95% of their capital stock (“Partnership Gas Stations”), with a subsequent call option to be exercised by Rede Duque (“Call and Put Option Agreement").

i) Acquisition of the five gas stations

Through the Agreement for Share Purchase, the Company acquired all the shares of six companies that were part of Rede Duque and operated five gas stations (one of the companies operates a convenience store in one of the acquired gas stations), with monthly net revenue since the acquisition of R$25,686 and loss of R$1,299.

Determination of the consideration transferred for the acquisition of five Rede Duque gas stations

Under the Management Agreement, the Company and Vancouver had prepaid R$30,000 for the use of GPA brands in the gas stations and exclusive management of the gas stations. The release of this amount was subject to certain events. This amount was used as part payment for the acquisition of the Acquired Gas Stations, plus an additional payment of R$10,000, for a total purchase price of R$40,000.

Provisional identification of the fair value of identifiable acquired assets and liabilities

The Company provisionally identified the fair value of identifiable assets and liabilities acquired from Rede Duque on the business combination date and the acquired entities’ net assets total R$3,129.

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15. **Business combinations** -- Continued

Acquisition of Rede Duque -- Continued

Goodwill resulting from the acquisition

As a result of: (i) the measurement of the total consideration transferred due to the acquisition of control of the Acquired Gas Stations, and (ii) the provisional measurement of the identifiable assets and liabilities at fair value, goodwill totaled R$38,702. The Company will complete the allocation of the purchase price by identifying the intangible assets acquired by May 28, 2013.

ii) Partnership of the three gas stations

Through the Debt Assumption Agreement, entered into on the same date between Company, Vancouver and Rede Duque, Vancouver assumed Rede Duque’s bank debts in the amount of R$50,000. On the same date, the parties entered into an Agreement for Share Purchase, whereby Vancouver acquired approximately 95% of the shares of the Partnership Gas Stations, which operated three gas stations with net revenue of approximately R$3,500, upon assignment of part of Vancouver’s receivables from Rede Duque, acquired as a result of said debt assumption. The acquired gas stations will continue to be managed by Rede Duque, and the Company will have protective vetoes.

Also through the agreement, a Call and Put Option Agreement was executed whereby Vancouver granted Rede Duque an option to purchase its shares of the capital of the Partnership Gas Stations, exercisable in one year, for R$50,000, restated at 110% of CDI and payable in 240 monthly installments. The Company also has a put option, whereby it may demand that Rede Duque purchase its shares under the same terms above if the call option is not exercised.

If the call and put options expire, Vancouver will be able to acquire the shares of the Partnership Gas Stations' capital owned by Rede Duque for one Real (R$1) plus dividends for the one-year partnership period.

The amount of R$50,000 is recorded as a financial instrument at its realization amount, which is the fair value of the interest in the partnership gas stations.

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16. Property and equipment

a) Parent Company:

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

	Balance at: 12.31.2011	Additions	Depreciation	Merger (*)	Write-offs	Transfers	Balance at: 12.31.2012
Land	806,089	**91,288**	**-**	**40,010**	**-**	**219,899**	**1,157,286**

Buildings	1,960,871	**13,591**	**(59,721)**	**51,314**	**(5,547)**	**(5,444)**	**1,965,952**
Leasehold improvements	1,096,368	**71,765**	**(80,045)**	**68,683**	**(1,217)**	**233,763**	**1,389,317**
Equipment	513,805	**170,285**	**(101,655)**	**37,709**	**(5,131)**	**70,473**	**685,486**
Installations	110,421	**20,735**	**(12,105)**	**7,646**	**(594)**	**11,232**	**137,335**
Furniture and fixtures	208,921	**71,927**	**(27,716)**	**13,265**	**(1,880)**	**(2,751)**	**261,766**
Vehicles	18,700	**14,342**	**(5,175)**	**1,750**	**(10,740)**	**1,168**	**20,045**
Construction in progress	259,165	**413,380**	**-**	**2,101**	**(33)**	**(564,297)**	**110,316**
Other	36,196	**40,290**	**(9,215)**	**2,819**	**(69)**	**(31,763)**	**38,258**
	5,010,536	**907,603**	**(295,632)**	**225,297**	**(25,211)**	**(56,832)**	**5,765,761**
Financial lease							
Hardware	42,472	**-**	**(12,142)**	**-**	**-**	**-**	**30,330**
Buildings	21,605	**-**	**(942)**	**-**	**-**	**-**	**20,663**
	64,077	**-**	**(13,084)**	**-**	**-**	**-**	**50,993**
Total	5,074,613	**907,603**	**(308,716)**	**225,297**	**(25,211)**	**(56,832)**	**5,816,754**

(*) Refers to the corporate reorganization described in note 1 c).

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16. Property and equipment -- Continued

a) Parent Company -- Continued

	Balance at 12.31.2012			Balance at 12. 31.2011		
	Cost	Accumulated depreciation	Net	Cost	Accumulated depreciation	Net
Land	**1,157,286**	**-**	**1,157,286**	806,089	-	806,089
Buildings	**2,748,229**	**(782,277)**	**1,965,952**	2,649,382	(688,511)	1,960,871
Leasehold improvements	**2,419,833**	**(1,030,516)**	**1,389,317**	1,937,875	(841,507)	1,096,368
Equipment	**1,541,610**	**(856,124)**	**685,486**	1,223,421	(709,616)	513,805
Installations	**333,717**	**(196,382)**	**137,335**	285,015	(174,594)	110,421
Furniture and fixtures	**610,406**	**(348,640)**	**261,766**	507,854	(298,933)	208,921
Vehicles	**30,208**	**(10,163)**	**20,045**	29,318	(10,618)	18,700
Construction in progress	**110,316**	**-**	**110,316**	259,165	-	259,165
Other	**82,188**	**(43,930)**	**38,258**	66,647	(30,451)	36,196
	9,033,793	**(3,268,032)**	**5,765,761**	7,764,766	(2,754,230)	5,010,536
Financial lease						
Hardware	**58,703**	**(28,373)**	**30,330**	58,703	(16,231)	42,472
Buildings	**34,447**	**(13,784)**	**20,663**	34,448	(12,843)	21,605
	93,150	**(42,157)**	**50,993**	93,151	(29,074)	64,077
Total	**9,126,943**	**(3,310,189)**	**5,816,754**	7,857,917	(2,783,304)	5,074,613

b) Consolidated

	Balance at: 12.31.2010	Additions	Depreciation	Write-offs	Transfers	Balance at: 12.31.2011

Land	983,005	210	-	1,263	(36,308)	948,170
Buildings	1,907,727	27,755	(60,935)	(149)	241,150	2,115,548
Leasehold improvements	1,515,898	87,352	(112,857)	(22,164)	329,263	1,797,492
Equipment	608,748	316,900	(119,097)	(19,429)	132,060	919,182
Installations	244,524	41,994	(31,128)	42	10,268	265,700
Furniture and fixtures	399,573	101,518	(59,896)	(21,358)	17,569	437,406
Vehicles	246,798	76,751	(43,723)	(15,189)	2,234	266,871
Construction in progress	577,957	596,847	-	(8,427)	(824,830)	341,547
Other	142,173	40,389	(12,940)	(245)	(88,068)	81,309
	6,626,403	1,289,716	(440,576)	(85,656)	(216,662)	7,173,225
<u>Financial lease</u>						
Equipment	74,332	-	(4,264)	(887)	(41,240)	27,941
Hardware	31,895	101,318	(21,992)	(17,054)	10,918	105,085
Installations	1,086	-	(104)	(1)	(120)	861
Furniture and fixtures	17,864	-	(1,506)	(35)	(6,176)	10,147
Vehicles	14,074	-	(9,990)	(2,564)	12,544	14,064
Buildings	28,683	-	(1,756)	-	-	26,927
	167,934	101,318	(39,612)	(20,541)	(24,074)	185,025
Total	6,794,337	1,391,034	(480,188)	(106,197)	(240,736)	7,358,250

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16. Property and equipment -- Continued

b) Consolidated -- Continued

	Balance at: 12.31.2011	Additions	Depreciation	Acquisition of subsidiary (**)	Write-offs	Transfers	Balance at: 12.31.2012
Land	948,170	**97,051**	**-**	**-**	**-**	**219,543**	**1,264,764**
Buildings	2,115,548	**14,184**	**(65,466)**	**-**	**(8,070)**	**234**	**2,056,430**
Leasehold improvements	1,797,492	**255,018**	**(150,389)**	**5**	**6,669**	**335,065**	**2,243,860**
Machinery and equipment	919,182	**280,694**	**(187,381)**	**531**	**(14,030)**	**108,682**	**1,107,678**
Facilities	265,700	**39,405**	**(36,464)**	**320**	**(2,963)**	**19,336**	**285,334**
Furniture and fixtures	437,406	**123,170**	**(64,966)**	**34**	**(9,910)**	**8,637**	**494,371**
Vehicles	266,871	**25,649**	**(36,109)**	**29**	**(41,015)**	**14,365**	**229,790**
Construction in progress	341,547	**567,275**	**-**	**83**	**(391)**	**(703,883)**	**204,631**
Other	81,309	**47,714**	**(18,455)**	**-**	**(307)**	**(30,733)**	**79,528**
	7,173,225	**1,450,160**	**(559,230)**	**1,002**	**(70,071)**	**(28,754)**	**7,966,386**
Financial lease							
Equipment	27,941	**-**	**(3,819)**	**-**	**(433)**	**(469)**	**23,220**
Hardware	105,085	**3,177**	**(30,005)**	**-**	**982**	**17**	**79,256**
installations	861	**-**	**(110)**	**-**	**(26)**	**320**	**1,045**
Furniture and fixtures	10,147	**-**	**(1,388)**	**-**	**(246)**	**223**	**8,736**
Vehicles	14,064	**-**	**(102)**	**-**	**(3,793)**	**86**	**10,255**
Buildings	26,927	**-**	**(1,328)**	**-**	**-**	**1**	**25,600**
	185,025	**3,177**	**(36,752)**	**-**	**(3,516)**	**178**	**148,112**
Total	7,358,250	**1,453,337**	**(595,982)**	**1,002**	**(73,533)**	**(28,576)**	**8,114,498**

(**) Refer to acquisition of Rede Duque described in note 15.

The column of transfer is mainly impacted by the amount of R$76,289 and R$123,639 of ICMS on property and equipments, parent company and consolidated, respectively, which was incorporated into the cost of the asset.

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16. Property and equipment -- Continued

b) Consolidated -- Continued

	Balance at 12.31.2012			Balance at12.31.2011		
	Cost	Accumulated depreciation	Net	Cost	Accumulated depreciation	Net
Land	**1,264,764**	**-**	**1,264,764**	948,170	-	948,170
Buildings	**2,906,108**	**(849,678)**	**2,056,430**	2,907,817	(792,269)	2,115,548
Leasehold improvements	**3,698,557**	**(1,454,697)**	**2,243,860**	3,116,923	(1,319,431)	1,797,492
Equipment	**2,243,454**	**(1,135,776)**	**1,107,678**	1,892,180	(972,998)	919,182
Installations	**567,033**	**(281,699)**	**285,334**	512,834	(247,134)	265,700
Furniture and fixtures	**981,198**	**(486,827)**	**494,371**	870,285	(432,879)	437,406
Vehicles	**300,629**	**(70,839)**	**229,790**	319,889	(53,018)	266,871
Construction in progress	**204,631**	**-**	**204,631**	341,547	-	341,547
Other	**152,264**	**(72,736)**	**79,528**	136,885	(55,576)	81,309
	12,318,638	**(4,352,252)**	**7,966,386**	11,046,530	(3,873,305)	7,173,225
Financial lease						
Equipment	**37,051**	**(13,831)**	**23,220**	39,374	(11,433)	27,941
Hardware	**152,194**	**(72,938)**	**79,256**	149,476	(44,391)	105,085
Installations	**1,859**	**(814)**	**1,045**	1,220	(359)	861
Furniture and fixtures	**14,897**	**(6,161)**	**8,736**	15,373	(5,226)	10,147
Vehicles	**12,800**	**(2,545)**	**10,255**	20,293	(6,229)	14,064
Buildings	**43,401**	**(17,801)**	**25,600**	43,402	(16,475)	26,927
	262,202	**(114,090)**	**148,112**	269,138	(84,113)	185,025
Total	**12,580,840**	**(4,466,342)**	**8,114,498**	11,315,668	(3,957,418)	7,358,250

c) Guarantees

At December 31, 2012 and 2011, the Company and its subsidiaries had collaterized property and equipment items for some legal claims, as disclosed in note 24 (h).

d) Capitalized borrowing costs

The amount of the borrowing costs for the year ended December 31, 2012 was R$17,205 (R$27,076 at December 31, 2011). The rate used to determine the borrowing costs eligible for capitalization was 106.4% of CDI, corresponding to the effective interest rate of the Company's borrowings.

e) Additions to property and equipment

	Parent Company		**Consolidated**	
	12.31.2012	**12.31.2011**	**12.31.2012**	**12.31.2011**
Additions (i)	**767,861**	726,557	**1,308,951**	1,262,640
Financial lease (ii)	**-**	50,239	**3,177**	101,318
Capitalized interest	**15,738**	21,461	**17,205**	27,076
Real state financing	**124,004**	-	**124,004**	-
Total	**907,603**	798,257	**1,453,337**	1,391,034

(i) The additions made by the Company relate to the purchase of operating assets, acquisition of land and buildings to expand activities, building of new stores, improvements of existing distribution centers and stores and investments in equipment and information technology.

(ii) In the statements of cash flows it was decreased from assets additions made in the year ended December 31, 2012, totaling R$3,177 (R$101,318 at December 31, 2011), Parent Company and Consolidated, the acquisitions of property and equipment through finance leases, as they did not involve cash disbursement on the date of acquisition.

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16. Property and equipment -- Continued

f) Other information

At December 31, 2012, the subsidiaries Via Varejo and NCB recorded in the cost of goods sold and services rendered the consolidated amount of R$35,755 (R$30,476 at December 31, 2011) referring to the depreciation of its fleet of trucks, equipments, buildings and installations related to the distribution centers.

g) Asset impairment tests

On December 31, 2012 and 2011, there was no loss related to impairment. The recoverable amount was calculated based on the value in use and was determined relative to the cash-generating unit. A cash-generating unit consists of assets in stores, in each of the Group segment. To determine the value in use of the cash-generating unit, the cash flows were discounted at a rate of 10.8% before taxes.

17. Intangible assets

a) Parent Company

	Balance at: 12.31.2010	**Additions**	**Amortization**	**Write-offs**	**Transfers**	**Balance at: 12.31.2011**
Goodwill – home appliances	183,781	-	-	-	-	183,781
Goodwill – retail	300,614	-	-	-	(109,454)	191,160
Commercial rights – retail (e)	-	-	-	-	17,600	17,600
Software and implementation (h)	195,260	155,114	(53,493)	(11,188)	162,202	447,895
	679,655	155,114	(53,493)	(11,188)	70,348	840,436

	Balance at: 12.31.2011	**Additions**	**Amortization**	**Merger (*)**	**Write-offs**	**Transfers**	**Balance at: 12.31.2012**
Goodwill – home appliances	183,781	**-**	**-**	**-**	**-**	**-**	**183,781**
Goodwill – retail	191,160	**-**	**-**	**173,133**	**(300)**	**(8,581)**	**355,412**
Commercial rights – retail (e)	17,600	**-**	**-**	**-**	**-**	**17,302**	**34,902**
Software and implementation (h)	447,895	**25,512**	**(68,486)**	**114**	**(7)**	**128,993**	**534,021**
	840,436	**25,512**	**(68,486)**	**173,247**	**(307)**	**137,714**	**1,108,116**

(*) Refers to the corporate reorganization described in note 1 c).

	Balance at 12.31.2012			**Balance at 12.31.2011**		
	Cost	**Accumulated amortization**	**Net**	**Cost**	**Accumulated amortization**	**Net**
Goodwill – home appliances	**183,781**	**-**	**183,781**	183,781	-	183,781
Goodwill – retail	**1,073,990**	**(718,578)**	**355,412**	899,659	(708,499)	191,160
Commercial rights – retail (e)	**34,902**	**-**	**34,902**	17,600	-	17,600
Software and implementation (h)	**823,449**	**(289,428)**	**534,021**	690,180	(242,285)	447,895
	2,116,122	**(1,008,006)**	**1,108,116**	1,791,220	(950,784)	840,436

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17. Intangible assets -- Continued

b) Consolidated -- Continued

	Balance at: 12.31.2010	Additions	Amortization	Write-offs	Transfers	Balance at: 12.31.2011
Goodwill – cash and carry	358,965	-	-	-	2,602	361,567
Goodwill – home appliances	289,084	-	-	-	7,580	296,664
Goodwill – retail	723,776	-	-	-	(6,706)	717,070
Brands – cash and carry (d)	38,639	-	-	-	-	38,639
Brands – home appliances (d)	2,015,010	82	-	-	126	2,015,218
Commercial rights – home appliances (e)	603,266	7,779	(12,139)	(10,793)	25,371	613,484
Fair value of investments - Bartira	86,872	-	-	-	(86,872)	-
Commercial rights – retail (e)	-	-	-	-	17,600	17,600
Customer relationship – home appliances	24,845		(6,283)		-	18,562
Advantageous supply agreement – Bartira (f)	212,652	-	(77,720)	-	-	134,932
Advantageous lease agreement – NCB (g)	251,994	-	(50,992)	-	-	201,002
Software (h)	310,877	183,774	(79,173)	(32,407)	141,552	524,623
Total intangible assets	4,915,980	191,635	(226,307)	(43,200)	101,253	4,939,361

	Balance at: 12.31.2011	Additions	Amortization	Write-offs	Transfers	Balance at: 12.31.2012

Goodwill – cash and carry	361,567	**-**	**-**	**-**	**-**	**361,567**
Goodwill – home appliances	296,664	**-**	**-**	**-**	**(57)**	**296,607**
Goodwill – retail	717,070	**38,777**	**-**	**(300)**	**(8,582)**	**746,965**
Brands– cash and carry (d)	38,639	**-**	**-**	**-**	**-**	**38,639**
Brands – home appliances (d)	2,015,218	**41**	**-**	**-**	**-**	**2,015,259**
Commercial rights – home appliances (e)	613,484	**-**	**(8,050)**	**(579)**	**3,442**	**608,297**
Commercial rights – retail (e)	17,600	**-**	**-**	**-**	**17,302**	**34,902**
Commercial rights - cash and carry (e)	-	**-**	**-**	**-**	**10,000**	**10,000**
Customer relationship – home appliances	18,562	**-**	**(6,282)**	**-**	**-**	**12,280**
Advantageous supply agreement – Bartira (f)	134,932	**-**	**(73,738)**	**-**	**-**	**61,194**
Advantageous lease agreement – NCB (g)	201,002	**-**	**(51,864)**	**-**	**-**	**149,138**
Software (h)	524,623	**84,402**	**(98,180)**	**(800)**	**130,663**	**640,708**
Total intangible assets	4,939,361	**123,220**	**(238,114)**	**(1,679)**	**152,768**	**4,975,556**

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17. Intangible assets -- Continued

	Balance at 12. 31.2012			Balance at 12.31.2011		
	Cost	Accumulated amortization	Net	Cost	Accumulated amortization	Net
Goodwill – cash and carry	**371,008**	**(9,441)**	**361,567**	371,008	(9,441)	361,567
Goodwill – home appliances	**296,607**	**-**	**296,607**	296,664	-	296,664
Goodwill – retail	**1,848,402**	**(1,101,437)**	**746,965**	1,826,132	(1,109,062)	717,070
Brands – cash and carry (d)	**38,639**	**-**	**38,639**	38,639	-	38,639
Brands – home appliances (d)	**2,015,259**	**-**	**2,015,259**	2,015,219	(1)	2,015,218
Commercial rights – home appliances (e)	**663,565**	**(55,268)**	**608,297**	661,823	(48,339)	613,484
Commercial rights – retail (e)	**34,902**	**-**	**34,902**	17,600	-	17,600
Commercial rights - cash and carry (e)	**10,000**	**-**	**10,000**	-	-	-
Customer relationship – home appliances	**34,268**	**(21,988)**	**12,280**	34,268	(15,706)	18,562
Advantageous supply agreement – Bartira (f)	**221,214**	**(160,020)**	**61,194**	221,214	(86,282)	134,932
Advantageous lease agreement – NCB (g)	**256,104**	**(106,966)**	**149,138**	256,103	(55,101)	201,002
Software (h)	**1,003,604**	**(362,896)**	**640,708**	816,536	(291,913)	524,623
Total intangible assets	**6,793,572**	**(1,818,016)**	**4,975,556**	6,555,206	(1,615,845)	4,939,361

c) Impairment testing of goodwill and intangible assets

At December 31, 2012, the Company calculated the recoverable amount of the goodwill arising from past acquisitions, whose balance ceased to be amortized as of January 1, 2008, with the purpose of evaluating if there were changes in the assets' value resulting from events or changes in economic, operating and technological conditions that might indicate impairment for all cash generating units ("CGU").

For impairment testing purposes, the goodwill acquired through business combinations and licenses with indefinite useful lives was allocated to four cash generating units, which are also operating segments that disclose information: retail, home appliances, cash and carry and e-commerce.

The recoverable amount of the segments was defined by means of a calculation based on the value in use based on cash projections arising from the financial budgets approved by senior management for the next three years. The discount rate before taxes applied to cash flow projections is 10.8% (15.5% at December 31, 2011), and cash flows exceeding 3 years are extrapolated by using a growth rate of 6.7% (3.0% at December 31, 2011). As a result of this analysis, there was no impairment.

d) Tradenames

The cash and carry tradename refers to "ASSAI" and the home appliances tradenames refer to "PONTO FRIO" and "CASAS BAHIA". These tradenames were recorded during the business combinations made with the companies that owned the rights over the tradenames.

The value was subject to impairment testing through the income approach – Relief from Royalty, which consists of determining the value of an asset by measuring the present value of future benefits. Given the indefinite useful life of the tradename, we consider a perpetual growth of 2.5% in the preparation of the discounted cash flow. The royalty rate used was 0.9%.

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17. Intangible assets -- Continued

e) Commercial rights

Commercial rights refer to amounts paid to former owners of commercial spots, and amounts calculated as the fair value of these rights in business combinations of Casa Bahia and Ponto Frio. For test purpose of non-realization of these assets were allocated stores that have given rise to the right, and tested together with the fixed assets as described in note 6 b).

f) Advantageous supply agreement – Bartira

NCB has an exclusive supply agreement with Bartira. This agreement provides NCB with advantageous conditions in the acquisition of furniture compared with the margins of the sector. The amount was recorded at the business combination and has been established by the income approach, based on information on comparable transactions in the market.

The useful life of that asset was defined as three years, ending during the year 2013. This intangible asset was submitted to impairment testing according to the same calculation criteria used for goodwill on investments, and it is not necessary to record a provision for impairment.

g) Advantageous lease agreement – NCB

Refers to CB's properties, comprising stores, distribution centers and buildings, which are object of operating leases on advantageous terms entered into by NCB. It was measured by the income approach based on information on comparable transactions in the market. This asset was recognized at the time of the business combination between CB and the Company.

This asset's useful life was defined as 10 years in accordance with the partnership agreement. This intangible asset was tested for impairment using the same calculation criteria used for goodwill on investments, and it is not necessary to record a provision for impairment.

h) Other intangible assets

Software was tested for impairment according to the same criteria used for property and equipment.

Other intangible assets, whose useful lives are indefinite, were tested for impairment according to the same calculation criteria used for goodwill on investments, and it is not necessary to record a provision for impairment.

i) Intangible assets with definite useful life

Advantageous lease agreements for stores and buildings (10 years), advantageous furniture supply agreement (3 years) and customer relationships (5 to 7 years).

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18. Trade accounts payable

	Parent Company		Consolidated	
	12.31.2012	**12.31.2011**	**12.31.2012**	**12.31.2011**
Merchandise suppliers	**2,142,033**	2,052,952	**5,820,514**	5,541,769
Service suppliers	**649,364**	473,960	**947,805**	740,000
Other suppliers	**-**	-	**55,599**	7,699
Present value adjustment	**-**	-	**(20,678)**	(10,711)
	2,791,397	2,526,912	**6,803,240**	6,278,757

19. Loans and financings

a) Debt breakdown

	Parent Company		Consolidated	
Current	**12.31.2012**	**12.31.2011**	**12.31.2012**	**12.31.2011**
Debentures (i)				
Debentures	**554,918**	506,122	**674,003**	506,122
Swap contracts (c), (g)	**(206)**	68	**(206)**	68
Transactions costs	**(4,756)**	(4,346)	**(5,353)**	(4,346)
	549,956	501,844	**668,444**	501,844
Loans				
Local currency				
BNDES (e)	**90,863**	109,224	**113,236**	152,751

IBM	**-**	-	**5,100**	6,815
Working capital (c)	**154,896**	38,065	**155,196**	126,892
Direct consumer credit – CDCI (c) (d)	**-**	-	**2,498,997**	2,263,122
PAFIDC (note 10)	**-**	803,949	**-**	1,235,901
Financial leases (note 25)	**66,863**	55,800	**83,054**	81,521
Swap contracts (c), (g)	**(11,210)**	(882)	**(11,210)**	(882)
transactions costs	**(5,983)**	(6,424)	**(7,290)**	(8,670)
Other	**-**	-	**-**	2,379
	295,429	999,732	**2,837,083**	3,859,829
Foreign currency				
Working capital (c)	**592,470**	15,546	**723,140**	537,023
Swap contracts (c), (g)	**(18,874)**	(197)	**(17,387)**	19,163
Transactions costs	**(129)**	(298)	**(130)**	(361)
	573,467	15,051	**705,623**	555,825
	1,418,852	1,516,627	**4,211,150**	4,917,498

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19. Loans and financing -- Continued

a) Debt breakdown -- Continued

	Parent Company		Consolidated	
Non current	**12.31.2012**	**12.31.2011**	**12.31.2012**	**12.31.2011**
Debentures (i)				
Debentures	**2,948,000**	2,145,886	**3,748,000**	2,145,886
Funding cost	**(5,889)**	(8,368)	**(6,647)**	(8,368)
	2,942,111	2,137,518	**3,741,353**	2,137,518
Loans				
Local currency				
BNDES (e)	**269,090**	375,560	**283,141**	405,515
IBM	**-**	-	**-**	5,112
Working capital (c)	**1,435,568**	1,098,730	**1,806,566**	1,406,575
Direct consumer credit – CDCI (c) (d)	**-**	-	**130,338**	129,300
Globex FIDCs	**-**	-	**-**	1,184,522
Financial leases (note 25)	**138,066**	152,344	**162,537**	194,788
Swap contracts (c), (g)	**(35,221)**	(17,129)	**(35,221)**	(25,779)
Funding cost	**(6,914)**	(7,244)	**(8,172)**	(7,780)
	1,800,589	1,602,261	**2,339,189**	3,292,253
Foreign currency				
Working capital (c)	**211,092**	716,621	**258,811**	832,657
Swap contracts (c), (g)	**(50,456)**	(26,729)	**(58,249)**	(21,399)
Funding cost	**-**	(129)	**-**	(129)
	160,636	689,763	**200,562**	811,129
	4,903,336	4,429,542	**6,281,104**	6,240,900

b) Maturity schedule of loans and borrowings recorded in noncurrent liabilities.

Year	**Parent Company**	**Consolidated**
2014	1,746,776	2,267,402
2015	2,466,973	3,318,010
2016	293,479	293,881
After 2016	408,911	416,630
Subtotal	**4,916,139**	**6,295,923**
Funding cost	(12,803)	(14,819)
Total	**4,903,336**	**6,281,104**

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19. Loans and financings -- Continued

c) Financing of working capital, swap and direct consumer credit - CDCI

		Parent Company		Consolidated	
	Rate*	12.31.2012	12.31.2011	12.31.2012	12.31.2011
Debt					
Local currency					
Banco do Brasil	11.8% p.a.	**524,175**	809,769	**524,175**	1,856,869
Banco do Brasil	104.99% of CDI	**710,074**	327,026	**1,997,047**	327,026
Bradesco	111.77% of CDI	**-**	-	**887,730**	1,041,287
Santander	105.7% of CDI	**-**	-	**-**	88,830
Safra	111.83% of CDI	**356,215**	-	**1,182,145**	611,877
		1,590,464	1,136,795	**4,591,097**	3,925,889
Current		**154,896**	38,065	**2,654,193**	2,390,014
Noncurrent		**1,435,568**	1,098,730	**1,936,904**	1,535,875
Foreign currency					
Citibank	(Libor + 1.45%) p.a.	**-**	-	**48,121**	-
Itaú BBA	USD + 3.19% p.a.	**597,583**	536,100	**597,583**	536,100
Banco do Brasil	USD 3.9% p.a. and 2.3% p.a.	**-**	-	**-**	317,373
Bradesco	USD 2.68% p.a. and 3.94% p.a.	**-**	-	**-**	115,017
Santander	USD + 4.49% p.a.	**1,936**	203	**132,204**	116,239
ABN AMRO	USD + 4.90% p.a.	**-**	-	**-**	89,087
HSBC	USD + 2.40% p.a.	**204,043**	195,864	**204,043**	195,864
		803,562	732,167	**981,951**	1,369,680
Current		**592,470**	15,546	**723,140**	537,023
Noncurrent		**211,092**	716,621	**258,811**	832,657
Swap contracts					

Citibank	105% of CDI	**-**	-	**(7,145)**	-
Itaú BBA	103.7% of CDI	**(34,067)**	(901)	**(34,067)**	(901)
Banco do Brasil	102.65% of CDI	**(46,432)**	(18,011)	**(46,432)**	(15,681)
Bradesco	103.9% of CDI	**-**	-	**-**	(4,348)
Santander	110.7% of CDI	**-**	-	**839**	18,058
ABN AMRO	104.96% of CDI	**(206)**	68	**(206)**	68
HSBC	99.00% of CDI	**(35,262)**	(26,025)	**(35,262)**	(26,025)
		(115,967)	(44,869)	**(122,273)**	(28,829)
Current		**(30,290)**	(1,011)	**(28,803)**	18,349
Noncurrent		**(85,677)**	(43,858)	**(93,470)**	(47,178)
		2,278,059	1,824,093	**5,450,775**	5,266,740

* Weighted average rate per year.

The resources for financing working capital is raised from local financial institutions denominated in foreign or local currency.

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19. Loans and financings -- Continued

d) Direct consumer credit - CDCI

The operations of consumer correspond to the financing of credit sales to customers of subsidiary NCB, through a financial institution. Sales can be paid in up to 24 monthly installments however, are substantially less thas 12 months. The financial charges are charged average of 111.40% of the CDI. In these agreements, NCB retains substantially all the risks and benefits linked to loans financed with financial institutions secured by promissory notes issued by the subsidiary and by the assignment of receivables.

e) BNDES

				Parent Company		Consolidated	
Annual financial charges	**Number of monthly installments**	**Issue date**	**Maturity**	**12.31.2012**	**12.31.2011**	**12.31.2012**	**12.31.2011**
TJLP + 3.2%	46	Jun/07	Nov/12	**-**	30,285	**-**	30,285
TJLP + 2.7%	46	Nov/07	Nov/12	**-**	4,375	**-**	4,375
TJLP + 3.6%	60	Jul/10	Dec/16	**328,120**	410,327	**328,120**	410,327
4.5% p.a.	60	Feb/11	Dec/16	**31,833**	39,797	**31,833**	39,797
TJLP + 2.3%	48	Jun/08	Jun/13	**-**	-	**1,376**	4,127
TJLP + 2.3%	48	Feb/07	May/12	**-**	-	**-**	2,112
TJLP + 1.9% p.a.	30	May/11	Jun/14	-	-	**16,930**	28,234
7% p.a.	24	Mar/10	Oct/12	**-**	-	**26**	16,809

TJLP + 1.9% p.a.+
1% p.a.