

BRAZILIAN DISTRIBUTION CO COMPANHIA BRASILEIRA DE DISTR CBD

Form 6-K

March 02, 2011

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 March, 2011

Brazilian Distribution Company

(Translation of Registrant's Name Into English)

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

Brazil

(Address of Principal Executive Offices)

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

Form 20-F Form 40-F

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

Yes No

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

Yes No

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

Yes No

Financial Statements

Companhia Brasileira de Distribuição

December 31, 2010 and 2009

Companhia Brasileira de Distribuição

Consolidated Financial Statements

December 31, 2010 and 2009

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A free translation from Portuguese into English of Independent Auditor's Report on individual financial statements in accordance with accounting practices adopted in Brazil and on consolidated financial statements prepared in accordance with IFRS and also with accounting practices adopted in Brazil

INDEPENDENT AUDITOR S REPORT ON FINANCIAL STATEMENTS

To the Board of Directors and Executive Officers of

Companhia Brasileira de Distribuição

São Paulo, SP

We have audited the individual and consolidated financial statements of **Companhia Brasileira de Distribuição** (the Company), which are identified as Parent and Consolidated, respectively, which comprise the balance sheet as at December 31, 2010 and the statements of income, statements of comprehensive income, statements of changes in shareholders' equity, and statements of cash flows for the year then ended, and a summary of the significant accounting policies 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 the accounting practices adopted in Brazil and of the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and in accordance with the accounting practices adopted in Brazil, and for internal control as management determines is necessary to enable the preparation of such 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, which was conducted in conformity with Brazilian and international auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 entity'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 the 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.

Opinion on the individual financial statements

In our opinion, the individual financial statements referred to above present fairly, in all material respects, the financial position of Companhia Brasileira de Distribuição as at December 31, 2010, and its financial performance and its cash flows for the year then ended, in accordance with the accounting practices adopted in Brazil.

Opinion on the consolidated financial statements

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Companhia Brasileira de Distribuição as at December 31, 2010, and its financial and its cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (IASB) and with accounting practices adopted in Brazil.

Emphasis

As described in Note 2, the individual financial statements were prepared in accordance with accounting practices adopted in Brazil. In the case of Companhia Brasileira de Distribuição, these practices differ from IFRS in the presentation of separate financial statements only with regard to the valuation of investments in subsidiaries, affiliated companies and jointly controlled subsidiaries. For accounting practices adopted in Brazil, such investments are accounted for by the equity method, while for the purposes of IFRS these are accounted for at cost or fair value.

Other matters

Statements of added value

We also applied audit procedures to the individual and consolidated statements of added value (DVA) for the year ended December 31, 2010, the presentation of which is required for publicly held companies according to the Brazilian corporation law and as additional information under IFRS which do not require the presentation of DVA. These statements were submitted to the same previously described audit procedures and in our opinion they are fairly presented in all their material respects, in relation to the financial statements taken as a whole.

Audit of balances corresponding to the prior year

The balances corresponding to the year ended December 31, 2009, presented for comparison purposes, were previously audited by us according to the audit standards effective when the report was issued at February 26, 2010, which did not contain any modification. The audit standards previously effective allowed the division of responsibility. The individual and consolidated financial statements of subsidiary Globex Utilidades S.A. for the six-month period ended December 31, 2009, were audited by other auditors. In our opinion, referring to investments, equity pickup, assets and liabilities, sales net revenues and net income for the period and other information included in the notes to the individual and consolidated financial statements of the Company deriving from this subsidiary, these are exclusively based on the opinion of those independent auditors.

São Paulo, February 23, 2011.

Ernst & Young Terco Auditores Independentes S.S.

CRC 2SP015199/O-6

Sergio Citeroni - Partner

Accountant CRC 1SP170652/O-1

Companhia Brasileira de Distribuição

Balance Sheets

At December 31, 2010, December 31, 2009 and January 1, 2009

(In thousands of Reais) - A free translation from Portuguese into English of individual financial statements in accordance with accounting practices adopted in Brazil and of consolidated financial statements in accordance with IFRS and also with accounting practices adopted in Brazil

		Parent Company			Consolidated	
	Note	12.31.2010	12.31.2009	01.01.2009	12.31.2010	12.31.2009
Assets						
Current assets						
Cash and cash equivalents	8	1,757,576	1,927,480	1,251,631	3,817,994	2,343,243
Marketable securities	9	-	-	-	608,002	-
Accounts receivable	10	630,373	810,577	858,774	3,797,237	2,365,284
Inventories	12	1,573,254	1,521,613	1,128,730	4,823,768	2,827,463
Recoverable taxes	13	363,762	230,581	292,292	888,355	416,583
Other receivables		62,548	100,249	75,566	488,045	324,880
Total current assets		4,387,513	4,590,500	3,606,993	14,423,401	8,277,453
Non-current liabilities						
Receivables securitization fund	11	117,613	106,129	87,380	-	-
Accounts receivable	10	52,786	33,761	-	611,630	419,191
Recoverable taxes	13	119,802	134,213	177,066	213,506	255,194
Fair value of Bartira option	17	143,898	-	-	416,004	-
Deferred income and social contribution taxes	25	649,222	476,864	588,669	672,037	1,390,540
Amounts receivable from related parties	22	786,730	486,515	522,097	158,417	66,102
Judicial deposits	20	269,316	208,216	154,896	534,389	428,255
Other receivables		36,540	14,859	18,945	47,048	19,911
Investments	16	4,143,645	2,534,423	1,536,482	370,349	200,447
Property and equipment	14	4,801,999	4,297,290	4,247,947	6,703,594	5,356,774
Intangible assets	15	586,260	405,710	201,443	4,554,518	2,025,735
Total non-current assets		11,707,811	8,697,980	7,534,925	14,281,492	10,162,149
Total assets		16,095,324	13,288,480	11,141,918	28,704,893	18,439,602

Companhia Brasileira de Distribuição

Balance Sheets

At December 31, 2010, December 31, 2009 and January 1, 2009

(In thousands of Reais)

		Parent Company			C
	Note	12.31.2010	12.31.2009	01.01.2009	12.31.2010
Liabilities					
Current liabilities					
Suppliers		2,219,699	2,327,444	1,834,286	5,306,349
Loans and financing	18	457,358	124,069	281,186	2,206,832
Debentures	18	520,675	19,386	36,861	520,675
Payroll and related charges		264,606	225,550	176,717	595,558
Taxes and social contributions payable	24	195,366	154,089	87,394	353,894
Accounts payable to related parties	22	189,468	20,188	12,279	274,291
Proposed dividends	26	114,654	94,491	61,851	116,287
Financing due to purchase of property		14,211	14,211	45,747	14,211
Rentals payable		22,887	21,523	21,902	68,226
Other accounts payable		287,187	232,198	186,010	1,008,912
Total current liabilities		4,286,111	3,233,149	2,744,233	10,465,235
Non-current liabilities					
Loans and financing	18	1,456,488	769,010	906,521	4,524,464
Debentures	18	1,067,472	1,481,356	777,868	1,067,472
Deferred income and social contribution taxes	25	462,453	2,321	-	479,893
Taxes payable in installments	24	1,269,246	1,140,644	192,585	1,376,788
Provision for lawsuits	20	326,858	106,497	1,169,755	697,806
Other accounts payable		207,537	18,422	19,430	608,634
Total non-current liabilities		4,790,054	3,518,250	3,066,159	8,755,057
Shareholders' equity assigned to controlling shareholders					
Subscribed capital	26	5,579,259	5,374,751	4,450,725	5,579,259
Capital reserves	26	242,642	647,549	709,031	242,642
Profit reserves	26	1,197,258	514,781	171,770	1,197,258
		7,019,159	6,537,081	5,331,526	7,019,159
Non-controlling shareholders		-	-	-	2,465,442
Total liabilities and shareholders' equity		16,095,324	13,288,480	11,141,918	28,704,893

Explanatory notes are an integral part of the financial statements.

Companhia Brasileira de Distribuição

Statement of Income and Comprehensive Income
 Years ended December 31, 2010 and 2009
 (In thousands of Reais, except earnings per share)

	Note	Parent Company		Consolidated	
		2010	2009	2010	2009
Gross sales		17,213,787	15,963,689	36,144,368	26,219,103
Tax on sales		(1,701,279)	(1,735,241)	(4,052,694)	(2,968,839)
Net sales revenue		15,512,508	14,228,448	32,091,674	23,250,264
Cost of sales		(11,359,588)	(10,435,484)	(24,241,476)	(17,493,806)
Gross profit		4,152,920	3,792,964	7,850,198	5,756,458
Operating (expenses) income					
Selling		(2,348,257)	(2,123,017)	(4,869,462)	(3,519,088)
General and administrative		(534,439)	(474,950)	(912,676)	(733,308)
Depreciation and amortization		(273,635)	(330,473)	(440,139)	(455,459)
Financial income	30	(310,415)	(135,496)	(823,001)	(251,151)
Equity pickup results	15	148,509	49,112	34,499	(7,985)
Other operating expenses, net	29	(47,814)	(1,906)	(26,016)	(76,994)
		(3,366,051)	(3,016,730)	(7,036,795)	(5,043,985)
Profit before income and social contribution taxes and employees profit sharing		786,869	776,234	813,403	712,473
Income and social contribution taxes	25	(37,655)	(104,966)	(86,558)	(28,569)
Employees profit sharing		(26,792)	(26,598)	(35,110)	(32,505)
Net income for the year		722,422	644,670	691,735	651,399
Attributable to:					
Company's controlling shareholder		722,422	644,670	722,422	644,670
Non-controlling shareholders		-	-	(30,687)	6,729

Explanatory notes are an integral part of the financial statements.

Companhia Brasileira de Distribuição

Statements of Changes in Consolidated Shareholders Equity
 Years ended December 31, 2010 and 2009
 (In thousands of Reais, except earnings per share)

	Capital Reserve				Profit reserves					Retained Share earnings
	Capital stock	Special Goodwill Reserve	Other equity instruments	Other reserves	Purchase options	Legal	Expansion	Assets Valuation Adjustments	Retention of Earnings	
	4,450,725	517,294	128,096	38	63,604	146,638	-	-	25,131	-
	239,031	(88,780)	-	-	-	-	-	-	(150,251)	-
	664,362	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	(10,898)	-
	-	-	-	-	-	-	-	-	(10)	-
	20,633	-	-	7,677	-	-	-	-	-	-
	-	-	-	-	19,621	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	379,350	-	-	(379,350)
	-	-	-	-	-	29,579	-	-	-	(29,579)
	-	-	-	-	-	-	-	-	-	644,670
	-	-	-	-	-	-	-	-	-	(140,500)
	5,374,751	428,514	128,096	7,715	83,225	176,217	379,350	-	95,241	(95,241)
	-	-	-	-	-	-	-	-	-	-
	169,388	(83,908)	-	-	-	-	-	-	-	(85,480)
	35,120	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	(4,040)	-
	-	-	-	-	27,920	-	-	-	-	-
	-	-	-	-	-	-	-	-	(2,534)	-
	-	-	(128,096)	-	-	-	-	-	-	(220,824)
	-	-	-	-	-	-	-	-	223,685	-
	-	-	-	-	-	-	-	-	-	722,422
	-	-	-	-	-	36,121	-	-	-	(36,121)
	-	-	-	-	-	-	-	-	-	(171,575)
	-	-	-	-	-	-	-	-	-	514,726
	5,579,259	344,606	-	7,715	111,145	212,338	379,350	221,151	163,595	(514,726)

Explanatory notes are an integral part of the financial statements.

Companhia Brasileira de Distribuição

Statements of Cash Flows

Years ended December 31, 2010 and 2009

(In thousands of Reais)

	Parent Company	
	2010	2009
Cash flow from operating activities		
Net income for the year	722,422	644,670
Adjustments to net income		
Deferred income and social contribution taxes	34,988	60,647
Current income and social contribution taxes	2,667	44,319
Depreciation and amortization	273,635	330,473
Equity pick-up	(148,509)	(49,112)
Adjustment to present value	3,928	-
Financial charges accrued	278,765	158,489
Provision for contingencies, net	243,665	44,433
Provision for share-based compensation	27,920	26,577
Allowance for doubtful accounts	-	-
Gain due to bargain purchase	(453,569)	-
Allowance for losses and derecognition of property and equipment and intangible assets	-	(3,020)
Income from written-off permanent assets	27,962	6,770
Other	70,722	36,430
Decrease (increase) in operating assets		
Accounts receivable	152,206	18,355
Taxes recoverable	(122,698)	113,427
Inventories	(139,888)	(436,518)
Marketable securities	-	-
Judicial deposits	(61,100)	(37,936)
Other assets	(604,770)	6,615
Increase (decrease) in operating liabilities		
Vendors	(105,346)	493,158
Payroll, social charges and taxes payable	40,640	133,375
Related parties	169,280	(7,909)
Other liabilities	(120,387)	(61,548)

Net cash flow from operating activities

292,533 1,521,695

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Companhia Brasileira de Distribuição

Statements of Cash Flows - Continued

Years ended December 31, 2010 and 2009

(In thousands of Reais)

	Parent Company		Consolidated	
	2010	2009	2010	2009
Cash flow from investment activities				
Marketable securities	-	-	58,798	-
Non-controlling interest acquisition	(28,544)	-	(28,544)	-
Acquisition of companies, net of cash	-	-	-	(883,797)
Acquisition of property and equipment and intangible assets	(854,603)	(530,017)	(1,417,879)	(746,694)
Capital contribution to subsidiary	(290,429)	(939,496)	-	(9,318)
Sale of fixed assets	34,965	3,167	39,243	4,330
Net cash (used in) investment activities	(1,138,611)	(1,466,346)	(1,348,382)	(1,635,479)
Cash flow from financing activities				
Loans and borrowings:				
Additions	966,960	708,940	3,833,326	736,805
Amortization	(84,382)	(269,252)	(1,204,381)	(393,129)
Payment of interest	(90,112)	(198,472)	(182,813)	(209,301)
Capital increase	35,120	487,144	35,120	487,144
Cash from capital increase in subsidiaries	-	-	64,957	-
Payment of dividends	(151,412)	(107,860)	(151,412)	(109,157)
Net cash from investment activities	676,174	620,500	2,394,797	512,362
Increase (decrease) in balance of cash and cash equivalents	(169,904)	675,849	1,474,751	719,727
Cash and cash equivalents at the beginning of the year	1,927,480	1,251,631	2,343,243	1,623,516
Cash and cash equivalents at the end of the year	1,757,576	1,927,480	3,817,994	2,343,243
	(169,904)	675,849	1,474,751	719,727

Additional information items not affecting the cash:

Fair value of acquired net assets	453,569	-	1,952,226	-
Increase in Non-controlling interest	-	-	1,498,657	-
Leasing	55,783	-	59,119	-

Explanatory notes are an integral part of the financial statements.

Companhia Brasileira de Distribuição

Statements of Added Value

Years ended December 31, 2010 and 2009

(In thousands of Reais)

	Parent Company		Consolidated	
	2010	2009	2010	2009
Revenues				
Revenues of goods, products and services	17,213,787	15,963,689	36,144,368	26,219,103
Revenues with doubtful accounts	(7,148)	(13,258)	(54,651)	(54,837)
Other revenues/expenses	63,874	78,575	211,037	59,234
	17,270,513	16,029,006	36,300,754	26,223,500
Expenses acquired from third parties				
Expenses of goods sold	(12,394,290)	(11,551,577)	(26,175,020)	(19,132,761)
Expenses for material, energy, outsourced services and other	(1,350,262)	(1,209,658)	(2,910,838)	(1,954,922)
	(13,744,552)	(12,761,235)	(29,085,858)	(21,087,683)
Revenues added value	3,525,961	3,267,771	7,214,896	5,135,817
Provisions				
Depreciation and amortization	(273,635)	(330,473)	(440,139)	(455,459)
Revenues added value produced by the Company	3,252,326	2,937,298	6,774,757	4,680,358
Revenues received from transfer				
Inventory pickup	148,509	49,112	34,499	(7,985)
Financial revenues	257,880	242,295	340,233	285,156
	406,389	291,407	374,732	277,171
Revenues added value to distribute	3,658,715 100.0%	3,228,705 100.0%	7,149,489 100.0%	4,957,529 100.0%
Distribution of added value				
Salaries of employees	1,367,584 37.4%	1,203,622 37.3%	2,603,281 36.4%	1,843,711 37.2%
Profit compensation	930,834 25.4%	833,538 25.8%	1,882,359 26.3%	1,323,218 26.7%
Depreciation	26,792 0.7%	26,598 0.8%	35,110 0.5%	32,505 0.7%
Profits	336,955 9.2%	286,623 8.9%	532,253 7.4%	397,261 8.0%
Depreciation	73,003 2.0%	56,863 1.8%	153,559 2.1%	90,727 1.8%
Dividends, fees and contribution	687,238 18.8%	711,324 22.0%	1,984,779 27.8%	1,373,652 27.7%
Financial	371,520 10.2%	371,046 11.5%	1,345,219 18.8%	656,868 13.3%
Other	236,306 6.5%	274,897 8.5%	489,724 6.8%	585,789 11.9%

Principal	79,412 2.2%	65,381 2.0%	149,836 2.1%	130,995 2.1%
Shareholders	881,471 24.1%	669,089 20.7%	1,869,694 26.2%	1,088,767 22.2%
Investment	568,295 15.5%	377,790 11.7%	1,163,233 16.3%	536,307 10.9%
Capital	313,176 8.6%	291,299 9.0%	706,461 9.9%	552,460 11.1%
Dividends	171,575 4.7%	140,500 4.4%	171,575 2.4%	153,669 3.1%
Company's shareholders	722,422 19.7%	644,670 20.0%	722,422 10.1%	644,670 13.1%
controlling interest	-	-	(30,687)	6,729
Added value distributed	3,658,715	3,228,705	7,149,489	4,957,529

Explanatory notes are an integral part of the financial statements.

Companhia Brasileira de Distribuição

Notes to the consolidated financial statements (Continued)

December 31, 2010 and 2009

(In thousands of Reais)

1. Corporate information

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

Founded in 1948, the Company has 145,614 employees, 1,647 stores in 20 Brazilian states and the Federal District and a logistics infrastructure comprised of 28 warehouses located in seven states as of December 31, 2010.

The Company s shares trade on the Level 1 Corporate Governance segment of the São Paulo Stock Exchange and its shares are listed at the São Paulo and New York Stock Exchanges (ADR level III).

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

The financial statements for the year ended December 31, 2010, were authorized by the Company s Board of Directors at February 23, 2011.

2. Basis of preparation

The financial statements have been prepared on a historical cost basis, except for the derivative financial instruments, which have been measured at fair value.

The consolidated financial statements are presented in Brazilian Reais.

Items included in the financial statements of each of the Company's subsidiaries are measured using the currency of the primary economic environment in which the subsidiary operates (the functional currency). The consolidated financial statements are presented in Brazilian Real, which is the functional and reporting currency. All the subsidiaries have the Brazilian Real as their functional currency.

Companhia Brasileira de Distribuição

Notes to the consolidated financial statements (Continued)

December 31, 2010 and 2009

(In thousands of Reais)

2. Basis for preparation (Continued)

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

In the individual financial statements, the investments in subsidiaries are evaluated by the equity method, while for the purposes of international accounting standards issued by IASB, these would be evaluated by cost or fair value.

However, there are no differences between shareholders' equity and consolidated result reported by the Company, shareholders' equity and results of controlling entity in its individual financial statements. Therefore, the Company's consolidated financial statements and the individual financial statements of the parent company have been reported side by side in a single set of financial statements.

3. Basis for consolidation

a) Subsidiaries

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

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

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

Companhia Brasileira de Distribuição

Notes to the consolidated financial statements (Continued)

December 31, 2010 and 2009

(In thousands of Reais)

3. Basis for consolidation - Continued

a) Subsidiaries (continued)

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

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

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

Novasoc

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

PAFIDC and Globex FIDC

The Company consolidates the financial statements of Pão de Açúcar Fundo de Investimentos em Direitos Creditórios (PAFIDC) and Globex Fundo de Investimentos em Direitos Creditórios (Globex FIDC), special purpose entities organized with the exclusive purpose of conducting the securitization of receivables of the Company and its subsidiaries. The consolidation is justified by the fact that most of the risks and benefits related to the fund are linked to subordinated shares owned by the Company and its subsidiaries.

Globex

The Company consolidates the financial statements of Globex, a subsidiary that concentrates the Group's home appliance products, operating under the banners Ponto Frio and Extra-Eletrô, and Casas Bahia as of November 2010.

Sendas

The Company also holds interest in Sendas Distribuidora, its wholly-owned subsidiary, which operates in retail trade and cash-and-carry segments, mainly in the State of Rio de Janeiro. For further information on the acquisition of non-controlling interest, see Note 16 (ii).

Companhia Brasileira de Distribuição

Notes to the consolidated financial statements (Continued)

December 31, 2010 and 2009

(In thousands of Reais)

3. Basis for consolidation - Continueda) Subsidiaries (continued)

Holdings	Interest in investees - % - at December 31, 2010											
	CBD	Novasoc	Sé	Holland	Distribuidora	Bellamar	ECQD	Niassa	Globex	Bahia	Nova Casa PontoFrio.	Pont Cre
Subsidiaries:												
Novasoc	10.00	-	-	-	-	-	-	-	-	-	-	-
Sé	93.10	6.90	-	-	-	-	-	-	-	-	-	-
Sendas												
Distribuidora	14.86	-	85.14	-	-	-	-	-	-	-	-	-
PAFIDC	9.58	0.75	0.37	-	-	-	-	-	-	-	-	-
P.A												
Publicidade	99.99	-	-	-	-	-	-	-	-	-	-	-
Barcelona			100.00	-	-	-	-	-	-	-	-	-
CBD Holland	100.00	-	-	-	-	-	-	-	-	-	-	-
CBD Panamá			-	100.00	-	-	-	-	-	-	-	-
Xantocarpa												