

BRAZILIAN DISTRIBUTION CO COMPANHIA BRASILEIRA DE DISTR CBD

Form 6-K/A

August 05, 2016

FORM 6-K/A

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 August, 2016

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

(Free Translation into English from the Original

Previously Issued in Portuguese)

***Companhia Brasileira
de Distribuição***

*Individual and Consolidated
Financial statements for the
Year Ended December 31, 2015 and
Independent Auditor's Report*

Deloitte Touche Tohmatsu Auditores Independentes

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

INDEPENDENT AUDITORS' REPORT

To the Shareholders, Directors and Officers of

Companhia Brasileira de Distribuição

São Paulo - SP

We have audited the accompanying individual and consolidated financial statements of Companhia Brasileira de Distribuição (“Company”), identified as Parent and Consolidated, respectively, which comprise the balance sheet as of December 31, 2015, and the statements of profit or loss, of comprehensive income, of changes in equity and of 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 the individual and consolidated financial statements in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards - IFRSs, issued by the International Accounting Standards Board - IASB, 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 of 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 misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control 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 practices 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.

Opinion

In our opinion, the individual and consolidated financial statements present fairly, in all material respects, the individual and consolidated financial position of Companhia Brasileira de Distribuição as of December 31, 2015, and its individual and consolidated financial performance and its respective cash flows for the year then ended in accordance with accounting practices adopted in Brazil and the IFRSs issued by the IASB.

Emphasis of matter

On February 24, 2016, we issued an audit report without qualification on the Company's individual and consolidated financial statements, which are being restated. We draw attention to note 1.5 to the financial statements, which describes that these financial statements were amended and are being restated to reflect the adjustments identified after the completion of the investigation on indirect subsidiary Cnova Comércio Eletrônico S.A. Our opinion remains unqualified since the financial statements and the figures corresponding to the prior period were adjusted retrospectively.

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, 2015, 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, which do not require the presentation of a DVA. These statements, which were amended and are being restated to reflect the adjustments described in note 1.5 to the financial statements, were subject to the same auditing procedures described above and, in our opinion, are fairly presented, in all material respects, in relation to the financial statements taken as a whole.

The accompanying financial statements have been translated into English for the convenience of readers outside Brazil.

São Paulo, July 27, 2016

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

Eduardo Franco Tenório
Engagement Partner

Companhia Brasileira de Distribuição

Consolidated Financial Statements

Years ended December 31, 2015 and 2014

Index

Management's report	1
Report of audit committee	3
Management statement on the financial statements	4
Management statement on the independent registered Public Accounting Firm on Financial Statements	5

Financial statements

Consolidated Balance Sheet	6
Consolidated Statement of profit or loss	8
Consolidated Statement of comprehensive income	9
Consolidated Statement of changes in shareholders' equity	10
Consolidated Statement of cash flows	11
Consolidated Statement of value added	13
Notes to the consolidated financial statements	14
Other information deemed as relevant by the Company	123

MESSAGE FROM MANAGEMENT

The year 2015 was one of formidable challenges for Brazil and a period when focus and discipline were even more crucial to achieving results and overcoming obstacles. That was how GPA, through its multi-format, multi-channel and multi-region approach, rolled out its strategy, which, combined with important adjustments in the process of adapting the Company to the economic scenario, helped it achieve its goals.

In 2015, we invested in the integration of our businesses and in a solid synergy plan, especially among back office areas so that each business unit could focus on its business objectives, advancing operations and strengthening their competitive advantages.

It was also a year when, despite a challenging scenario, we went ahead with our organic growth plan and opened 118 stores, focusing primarily on higher-return models, such as cash & carry, through Assaí, and proximity, mainly through Minuto Pão de Açúcar.

In the case of Assaí, we opened 11 new stores and increased our market share. The chain posted solid net sales growth of 25.5%, and EBITDA growth of more than 40% in the year, besides generating sufficient cash to fund its own growth, for the first time.

At Multivarejo, the banners were flexible and quick in adapting their assortment and services, each following their vocation and positioning, according to consumers' needs and in line with the economic scenario. Pão de Açúcar once again underlined its leadership in the premium supermarket segment and has registered market share gains for two consecutive years. The proximity format registered growth in customer traffic and sales, offering – through the Minuto Pão de Açúcar and Minimercado Extra brands - different store models according to the profiles of each banner's target market.

At Extra, we continued our strategy of increasing competitiveness and modernized 62 hypermarkets and supermarkets. These measures helped to regain momentum in sales and better trend in customer traffic. However, the results of renovations during the year were still short of the Company's goals. Next year, we will focus on advancing the store renovation plan and price competitiveness strategy, on strengthening the quality and assortment of perishables and on reducing stock outs, aiming to increase operating efficiency and maintain the format's profitability.

Via Varejo, despite a more challenging scenario for the electronics and home appliances market, carried out adjustments to its structure by optimizing processes and rationalizing expenses, all as part of the measures being taken to adapt the Company to the evolving scenario. Furthermore, the intensification of commercial initiatives from the third quarter helped regain market share and increase sales.

At Cnova, this was one more year of GMV growth and increase in marketplace share, as well as initiatives focused on improving customer service.

Sustainability remains one of our strategic pillars, in line with the guidelines of the Casino Group and the five commitments of GPA: Valuing our People, Conscientious Consumption and Supply, Transforming the Value Chain, Environmental Impact Management and Social Engagement. In 2015, all banners rolled out high-impact initiatives for each of these pillars. We registered important results in promoting diversity, setting targets for hiring persons with disabilities, and taking effective actions to increase the presence of

women in leadership positions. We remain committed to mitigating risks to the environment, playing a positive role in society, always in alignment with the principles of the UN Global Compact.

It was a year when we also made progress in our governance practices across all businesses. We have active committees and processes designed to ensure benefits to all those involved, always observing the rights and interests of our stakeholders.

We have a better and well prepared company for 2016. We will remain fully focused on the customer, while maintaining a strict and disciplined approach to investments, and on actions that will ensure the Company's sustainable growth while creating value for our shareholders.

RESTATEMENT OF THE FINANCIAL STATEMENTS

Company's management informs the conclusion of the work related to the investigation in the subsidiary Cnova N.V., and the work of the auditors on this subsidiary, and evaluated the effects calculated and concluded that the amounts related to prior years should be restated in its financial statements for the years ended December 31, 2015, 2014 and 2013, after considerations over aspects quantitative and qualitative.

INDEPENDENT AUDITORS

The parent company and consolidated financial statements of GPA were audited by Deloitte Touche Tohmatsu Auditores Independentes ("Deloitte"). The engagement of independent auditors is based on the following principles that safeguard the independence of the auditor: (a) auditors may not audit their own work; (b) auditors may not exercise managerial functions; and (c) auditors should not advocate on behalf of GPA or provide any services that may be considered prohibited by the regulations in force.

In compliance with Instruction 381/03 issued by the Securities and Exchange Commission of Brazil (CVM), we hereby declare that for the fiscal year ended December 31, 2015, Deloitte did not provide any services other than those related to the independent audit of the financial statements.

Report of the Audit Committee - Fiscal year 2015

- 1) On February 24, 2016 the Audit Committee of Companhia Brasileira de Distribuição issued a Report on its activities in 2015 and also on the Financial Statements of the Company concerning the fiscal year ended on December 31, 2015.
- 2) Such report depicts the main activities of the Committee in year 2015, as well as the key recommendations made by the Audit Committee to the Executive Board.
- 3) As for such Financial Statements, the Committee recommended they were approved by the Board of Directors.
- 4) As described in Note 1.5 to the financial statements to be republished, such financial statements have been amended and are being resubmitted to reflect the required adjustments after completion of the investigation process on the indirect subsidiary Cnova Comércio Eletrônico S.A.
- 5) As to the Financial Statements to be republished that will be examined by the Board of Directors of CBD on July 27, 2016, our recommendation is also that the Board should approve them, since such financial statements and their numbers corresponding to the previous fiscal year have been adjusted retrospectively.
- 6) All other items and recommendations to the Executive Board contained in the Report by the Audit Committee of February 24, 2016 remain as originally disclosed.

L. Nelson Carvalho - Coordinator of the Committee; Accounting, Financial and Auditing Specialist.

Eleazar de Carvalho Filho, Representative of the Board of Directors on the Audit Committee, and also Financial Specialist.

Pedro Oliva Marcilio de Sousa

Management statement on the financial statements

In accordance with the item V of article 25 of Instruction CVM no. 480, of December 7, 2009, the Directors stated that have reviewed, discussed and agreed with the Company's Financial Statement related to the year ended December 31, 2015, authorizing the conclusion on this date.

São Paulo, July 27, 2016.

Directors

Ronaldo Iabrudi

President

Christophe José Hidalgo

Vice President of Finance and Investor's relationship Director

Management statement on the independent auditor's report

In accordance with the item V of article 25 of Instruction CVM no. 480, of December 7, 2009, the Directors stated that have reviewed, discussed and agreed with to the Independent Registered Public Accounting Firm Report over the Company's Financial Statements for the year ended December 31, 2015, issued on this date.

São Paulo, July 27, 2016.

Directors

Ronaldo labrudi

President

Christophe José Hidalgo

Vice President of Finance and Investor's relationship Director

Companhia Brasileira de Distribuição

Balance Sheet

Years ended December 31, 2015, 2014 and January 1, 2014

(In millions of Reais)

Assets	Note	Parent Company			Consolidated	
		12.31.2015	12.31.2014	01.01.2014	12.31.2015	12.31.2014
			Restated		Restated	
Current						
Cash and cash equivalents	7	2,247	2,923	2,851	11,015	11,149
Marketable securities		-	-	-	-	-
Trade accounts receivable, net	8	387	305	312	3,210	3,176
Other accounts receivable, net	9	133	75	48	375	258
Inventories	10	2,828	2,487	2,166	8,965	8,364
Recoverable taxes	11	357	105	148	1,080	807
Assets held for sale		2	2	4	15	22
Dividends receivable		116	154	41	-	26
Prepaid Expenses		74	41	27	157	130
Other receivables		32	26	25	143	89
Total current assets		6,176	6,118	5,622	24,960	24,021
Noncurrent						
Trade accounts receivable, net	8	-	-	-	98	105
Other accounts receivable, net	9	67	82	31	625	636
Inventories	10	-	-	-	-	172
Recoverable taxes	11	534	392	351	2,467	2,140
Deferred income and social contribution taxes	20	50	56	121	406	491
Related parties	12	1,076	398	647	309	313
Restricted deposits for legal proceedings	22.7	459	420	427	999	857
Prepaid expenses		19	25	38	50	37
Investments	13	5,149	8,288	7,690	382	401
Investment Properties		24	24	-	25	25
Property and equipment, net	14	6,525	6,125	6,075	10,377	9,699
Intangible assets	15	1,320	1,195	1,127	6,543	6,448
Total noncurrent assets		15,223	17,005	16,507	22,281	21,324
Total assets		21,399	23,123	22,129	47,241	45,345

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The accompanying notes are integral part of these financial statements

Companhia Brasileira de Distribuição

Balance Sheet

Years ended December 31, 2015, 2014 and January 1, 2014

(In millions of Reais)

Liabilities	Note	Parent Company			Consolidated
		12.31.2015	12.31.2014	01.01.2014	12.31.2015
			Restated		Re
Current					
Trade accounts payable	16	4,103	3,180	2,632	15,508
Suppliers - structured program	18.1 (iv)	-	-	-	1,055
Loans and financing	17	828	2,895	1,973	3,814
Payroll and related charges		390	335	368	1,023
Taxes, contributions payable and taxes installments	19	135	183	366	830
Related parties	12	268	1,751	2,224	563
Dividends payable	25.8	-	194	151	-
Accounts payable related to acquisition of companies	21	-	-	-	76
Financing related to acquisition of real estate		100	80	36	114
Rent payable		83	52	53	151
Deferred revenue	24	28	4	-	420
Pass-through liabilities		43	8	9	398
Loyalty programs		27	35	-	30
Other accounts payable		370	108	210	1,291
Total current liabilities		6,375	8,825	8,022	25,273
Noncurrent					
Loans and financing	17	3,277	2,631	3,142	4,164
Deferred income and social contribution taxes	20	-	-	-	1,184
Tax payable in installments	19	572	617	992	572
Provision for contingencies	22	490	483	496	1,396
Accounts payable related to acquisition of companies	21	-	-	-	28
Deferred revenue	24	32	65	30	1,223
Provision for negative equity	13	276	-	-	-
Other accounts payable		23	25	48	49
Total noncurrent liabilities		4,670	3,821	4,708	8,616
Shareholders equity					
Share capital	25	6,806	6,792	6,764	6,806
Capital reserves	25	302	282	233	302
Profit reserves	25	3,333	3,402	2,402	3,333
Cumulative translation adjustments		(87)	1	-	(87)

	10,354	10,477	9,399	10,354
Non-controlling interest	-	-	-	2,998
Total shareholders' equity	10,354	10,477	9,399	13,352
Total liabilities and shareholders' equity	21,399	23,123	22,129	47,241

The accompanying notes are integral part of these financial statements

Companhia Brasileira de Distribuição

Statement of Profit or Loss

Years ended December 31, 2015 and 2014

(In millions of Reais)

		Parent Company		
		Note	12.31.2015	12.31.2014
			Restated	12.31.2013
Net sales from goods and services	26	22,465	22,249	(16,015)
Cost of goods sold and services sold	27	(16,342)	(16,015)	(16,015)
Gross profit		6,123	6,234	6,234
Operating income (expenses)				
Selling costs	27	(3,950)	(3,622)	(3,622)
General and administrative	27	(483)	(562)	(562)
Depreciation and amortization		(479)	(435)	(435)
Equity pickup	13	130	712	712
Other operating income (expenses), net	28	(260)	(354)	(354)
		(5,042)	(4,261)	(4,261)
Profit before Net finance income, Taxes and employees' profit sharing		1,081	1,973	1,973
Net financial expenses	29	(762)	(614)	(614)
Profit before income and social contribution taxes and employees' profit sharing		319	1,359	1,359
Income and social contribution taxes	20	(54)	(152)	(152)
Net income (loss) for the year		265	1,207	1,207
Attributed to:				
Controlling shareholders		265	1,207	1,207
Noncontrolling shareholders		-	-	-
Earnings per share (R\$/share)	30	2015	2014	2013
Basic				
Common		0.93893	4.29062	4.29062

Preferred	1.03282	4.71968
Diluted		
Common	0.93869	4.29062
Preferred	1.03040	4.70705

The accompanying notes are integral part of these financial statements

Companhia Brasileira de Distribuição

Statement of Comprehensive Income

Years ended December 31, 2015 and 2014

(In millions of Reais)

	Parent company		Consolidated	
	12.31.2015	12.31.2014	12.31.2015	12.31.2014
	Restated		Restated	
Net income (loss) for the year	265	1,207	(276)	1,584
<i>-Items that may be reclassified subsequently to profit or loss:</i>				
Defined benefit plan	(1)	(1)	(2)	(2)
Adjustments to financial instruments	(1)	-	(1)	-
<i>-Items that will not be reclassified to profit or loss</i>				
Accumulated translation adjustment	(86)	2	(219)	6
Comprehensive income for the year	177	1,208	(498)	1,588
Attributed to:				
Controlling shareholders			177	1,208
Noncontrolling shareholders			(675)	380
			(498)	1,588

The accompanying notes are integral part of these financial statements

Companhia Brasileira de Distribuição

Statements of Changes in Shareholders' Equity

Years ended December 31, 2015 and 2014

(In millions of Reais)

	Capital reserves			Legal	Expansion	Treasury
	Paid-in Capital	Other Reserves	Granted Options			
Balance at December 31, 2013 - presented	6,764	7	226	354		461
Adjusts to opening balances	-	-	-	(1)		
Balance at January 1, 2014 - restated	6,764	7	226	353		461
Capital increase (note 25.1)	28	-	-	-		-
Transfer to expansion reserve(note 25.4)	-	-	-	-		674
Stock options granted(note 25.5)	-	-	37	-		-
Stock options granted - subsidiaries(note 25.5)	-	-	12	-		-
Profit for the year - restated	-	-	-	-		-
Other comprehensive income:						
Cumulated Translation Adjustment	-	-	-	-		-
Defined benefit plan - actuarial losses	-	-	-	-		-
Comprehensive income for the period	-	-	-	-		-
Appropriation of profit to legal reserve(note 25.4) - restated	-	-	-	60		-
Proposed dividends(note 25.8)	-	-	-	-		-
Transfer to profit retention reserve - restated	-	-	-	-		-
Transactions with noncontrolling interest- restated	-	-	-	-		-
Shares offering - Cnova N.V (note 13.1 ii)	-	-	-	-		-
Corporate restructuring (note 13.1 iii)	-	-	-	-		-
Balance at December 31, 2014 - restated	6,792	7	275	413		1,135
Capital increase (note 25.1)	14	-	-	-		-
Transfer to expansion reserve (note 25.4)	-	-	-	-		1,489
Stock options granted(note 25.5)	-	-	11	-		-
Stock options granted - subsidiaries(note 25.5)	-	-	9	-		-
Profit for the year - restated	-	-	-	-		-
Other comprehensive income:						
Cumulated Translation Adjustment	-	-	-	-		-
Adjustments to financial instruments	-	-	-	-		-
Defined benefit plan - actuarial losses	-	-	-	-		-
Comprehensive income for the period	-	-	-	-		-

Appropriation of profit to legal reserve(note 25.4) - restated	-	-	-	13	-
Proposed dividends (note 25.8) - restated	-	-	-	-	-
Proposed dividends - additional(note 25.8) - restated	-	-	-	-	-
Transfer to profit retention reserve - restated	-	-	-	-	-
Transactions with noncontrolling interest(note 25.9)	-	-	-	-	-
Shares offering - Cnova N.V (note 25.9 iii)	-	-	-	-	-
Settlement of Equity Instrument(note 25.7)	-	-	-	-	-
Put option - CD Colombia (note 21)	-	-	-	-	-
Balance at December 31, 2015 - restated	6,806	7	295	426	2,624

The accompanying notes are integral part of these financial statements

Companhia Brasileira de Distribuição

Statement of Cash Flows

Years ended December 31, 2015 and 2014

(In millions of Reais)

		Parent Company		Consolidated	
	Note	12.31.2015	12.31.2014	12.31.2015	12.31.2014
		Restated		Restated	
Cash flow provided by operating activities					
Profit (loss) for the year		265	1,207	(276)	1,584
Adjustment to reconcile profit					
Deferred income tax	20	59	68	135	222
Gain (loss) on permanent assets written off		36	22	148	58
Depreciation and amortization		523	477	1,102	929
Financial charges		698	581	1,154	1,118
Equity pickup	13	(130)	(712)	(112)	(108)
Provision for contingencies		2	109	246	309
Share-based payment		20	47	25	47
Allowance for doubtful accounts	8.3	-	(3)	556	522
Provision for obsolescence, losses and breakage	10.2	4	(2)	57	33
Other operating expenses		92	310	15	150
Deferred revenue	24	(25)	(15)	(161)	(32)
Gain in the fair value investment		-	-	-	(16)
		1,544	2,089	2,889	4,816
Changes in assets and liabilities					
Trade accounts receivable		(82)	10	(434)	(859)
Inventories		(286)	(319)	(261)	(1,480)
Recoverable taxes		(76)	3	(434)	(478)
Other assets		(71)	(25)	(140)	(31)
Related parties		(143)	(375)	(324)	(253)
Restricted deposits for legal proceedings		(11)	9	(82)	(20)
Trade accounts payable		923	548	2,503	3,565
Payroll, related charges and taxes payable		55	(33)	159	72
Taxes and social contributions payable		(146)	(606)	(192)	(433)

Payments of contingencies	(62)	(163)	(351)	(257)
Deferred revenue	22	54	750	489
Other liabilities	38	(239)	397	(165)
Dividends receivable	605	-	152	-
Marketable securities	-	-	-	24
	766	(1,136)	1,743	174
Net cash provided by operating activities	2,310	953	4,632	4,990

The accompanying notes are integral part of these financial statements

Companhia Brasileira de Distribuição

Statement of Cash Flows

Years ended December 31, 2015 and 2014

(In millions of Reais)

	Note	Parent Company 12.31.2015 Restated	12.31.2014	Consolidated 12.31.2015 Restated
Cash flow used in investing activities				
Acquisition of property and equipment	14.3	(642)	(438)	(1,581)
Increase in intangible assets	15.5	(105)	(118)	(404)
Sales of property and equipment		39	19	82
Net cash of subsidiary acquisition and corporate reorganization	1.3a	100	3	
Net cash of sale of subsidiary	13.1 iv /13.1 v	-	-	5
Net cash flow investment activities		(608)	(534)	(1,852)
Cash flow from financing activities				
Capital increase		14	28	14
Loans obtained	17.2	1,154	1,661	6,385
Payments	17.2	(3,233)	(1,761)	(9,301)
Payments of dividends		(309)	(258)	(434)
Transactions with non-controlling interest		(4)	(8)	(4)
Cash from shares offering, less issuance costs		-	-	-
Subsidiary acquisition		-	-	(74)
Financing with Related parties		-	(9)	40
Net cash flow financing activities		(2,378)	(347)	(3,006)
Net increase (decrease) in cash and cash equivalents		(676)	72	(226)
Exchange rate in cash and cash equivalents		-	-	92
Cash and cash equivalents at the beginning of the year		2,923	2,851	11,145
Cash and cash equivalents at the end of the year		2,247	2,923	11,015
Net increase (decrease) in cash and cash equivalents		(676)	72	(134)

The main non-cash transactions are disclosed in the notes 1.3, 13.1 (iii), 13.1 (v), 14.3, 15.5, 18.1(vii), 19, 20, 22, 25.9 and 28.

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The accompanying notes are integral part of these financial statements

Companhia Brasileira de Distribuição

Statement of Value Added

Years ended December 31, 2015 and 2014

(In millions of Reais)

	Parent Company		Consolidated	
	12.31.2015	12.31.2014	12.31.2015	12.31.2014
	Restated		Restated	
Revenues				
Sales of Goods, Products and Services	24,308	24,144	77,054	72,668
Allowance for/Reversal of Doubtful Accounts	-	3	(556)	(522)
Other Revenues	(11)	39	2	14
	24,297	24,186	76,500	72,160
Products Acquired from Third Parties				
Costs of Products, Goods and Services Sold	(16,722)	(16,569)	(53,699)	(49,989)
Materials, Energy, Outsourced Services and Other	(2,239)	(2,196)	(6,838)	(6,140)
	(18,961)	(18,765)	(60,537)	(56,129)
Gross Value Added	5,336	5,421	15,963	16,031
Retention				
Depreciation and Amortization	(523)	(477)	(1,102)	(929)
Net Value Added Produced	4,813	4,944	14,861	15,102
Value Added Received in Transfer				
Share of Profit of Subsidiaries and Associates	130	712	112	108
Financial Income	236	201	792	689
Total Value Added to Distribute	366	913	904	797
Distribution of Value Added	5,179	5,857	15,765	15,899
Personnel	2,639	2,399	7,397	6,440
Direct Compensation	1,783	1,633	5,424	4,664
Other	95	84	261	241
Benefits	595	538	1,198	1,141
Government Severance Indemnity Fund for Employees (FGTS)	166	144	514	394
Taxes, Fees and Contributions	768	974	4,608	4,167

Federal	450	692	3,148	2,935
State	189	187	1,197	994
Municipal	129	95	263	238
Value Distributed to Providers of Capital	1,507	1,277	4,036	3,708
Interest	994	815	2,438	2,195
Rentals	513	462	1,598	1,513
Value Distributed to Shareholders	265	1,207	(276)	1,584
Dividends	115	302	115	302
Retained Earnings/ Accumulated Losses for the Period	150	905	150	905
Noncontrolling Interest	-	-	(541)	377
Total Value Added Distributed	5,179	5,857	15,765	15,899

The accompanying notes are integral part of these financial statements

Companhia Brasileira de Distribuição

Notes to the consolidated financial statements

December 31, 2015 and 2014

(In millions of Brazilian reais, unless otherwise stated)

1. Corporate information

Companhia Brasileira de Distribuição ("Company" or "CBD"), directly or through its subsidiaries ("Group" or "GPA") engages in the retail of food, clothing, home appliances, electronics and other products through its chain of hypermarkets, supermarkets, specialized stores and department stores principally under the trade names "Pão de Açúcar", "Minuto Pão de Açúcar", "Extra Hiper", "Extra Super", "Minimercado Extra", "Assai", "Ponto Frio" and "Casas Bahia", as well as the e-commerce platforms "CasasBahia.com", "Extra.com", "Pontofrio.com", "Barateiro.com", "Partiuviagens.com" and "Cdiscount.com" and the neighborhood shopping mall brand "Conviva". Its headquarters are located in the city of São Paulo, State of São Paulo, Brazil.

The Company's shares are listed on the São Paulo Stock Exchange ("BM&FBovespa") Level 1 of Corporate Governance under the ticker symbol "PCAR4" and on the New York Stock Exchange (ADR level III), under the ticker symbol "CBD". Subsidiaries that are public companies: Via Varejo S.A ("Via Varejo") which has its shares listed on BM&FBovespa, under ticker symbols "VVAR11" and "VVAR3" and Cnova N.V ("Cnova Holanda") which has its shares listed in Nasdaq Global Select Market under ticker symbol "CNV" and in Euronext Paris under ticker symbol "CNV".

After August 19, 2015, the Company started to be indirectly controlled by Almacenes Exito S.A., through Wilkes Participações S.A. ("Wilkes"), through a transaction with the holding companies of Casino Guichard Perrachon ("Casino"), which continue being the final controller. There is no impact in these financial statements since this is a shareholder's transaction.

1.1. Arbitration request by Morzan

On August 14, 2015, CBD and its controlling shareholder Wilkes were jointly convicted by International Court of Arbitration - ICA, to indemnify Morzan Empreendimentos e Participações Ltda. ("Morzan"), since both companies did not comply with the terms from the Share Purchase Agreement executed by 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 Globex Utilidades S.A. (currently Via Varejo S.A.).

On November 17, 2015, the Company filled a request demanding the suspension of arbitral decision before *Cour d'Appel de Paris*. The Company has until April 2016 to present the reasons that support the request.

On January 27, 2016, ICA issued a *addendum* decision in which (i) declared inadmissible the requests of the Company and Wilkes; (ii) partially accepted the request of the Company and Wilkes about correction on

calculation of the fees and expenses payable to Morzan, showing a reduction of US\$ 225 thousands of dollars; and (iii) partially accepted the request of Morzan about the correction on the calculation of the fees and expenses payable to Morzan , showing an increase of US\$ 30 thousands of dollars .

The amount initially estimated to the Company is R\$ 200 and is recorded in current liabilities "Other payables", with effect of income tax of R\$50, and a net effect of R\$ 150 on "profit reserve". See further details on note 25.7.

On December 31, 2015 the account payable recorded is R\$ 233, including legal fees expenses, which was settled on April 1, 2016.

1.2. Performance Commitment Agreement

The Company, its subsidiary Via Varejo S.A ("Via Varejo") and Casa Bahia Comercial Ltda. ("CB"), jointly "Compromisers" and the Brazilian Antitrust Agency ("CADE") entered into a Performance Commitment Agreement ("PCA") on April 17, 2013 to approve the Partnership Agreement between Ponto Frio and Casas Bahia signed in 2010. As the main purpose of PCA, Via Varejo had the major obligation of selling 74 stores located in 54 municipalities distributed in six states and the Federal District.

Companhia Brasileira de Distribuição

Notes to the consolidated financial statements

December 31, 2015 and 2014

(In millions of Brazilian reais, unless otherwise stated)

1. Corporate information - Continued

1.2. Performance Commitment Agreement - continued

From the 74 stores, 32 were not sold. Therefore, in accordance with the PCA, these stores had its activities ceased between May and June, 2014, with the payment of penalty in the amount of R\$12, recorded in 2014. According to CADE's authorization, after 6 months closed, 16 stores were reopened in November 2014.

In relation to 42 stores remaining, they were all sold between October 2013 and January 2014, through direct sales to other companies and open auctions. Such sales were duly approved by CADE. In 2015, these 42 stores, 19 were not sold due to failed negotiations between some acquirers and building owners, resulting to the subsidiary Via Varejo a fine payment in the amount of R\$ 7 to the CADE and loss in fixed assets of R\$ 7. Of the 19 stores, 4 were closed and 15 still remain to be closed in next months.

Via Varejo sold and transferred 15 in 2015 stores generating a gain of R\$8, recognized in the current earnings. The transfer of 8 stores is still in process of negotiation. This process has been monitored by CADE, which has been monitoring the fulfillment of the obligation taken in the PCA, having the Company subject to present the information required.

1.3. Merger of subsidiaries

a) Sé

The Extraordinary Shareholders' Meeting held on December 22, 2015 approved the incorporation of subsidiary Sé Supermercados Ltda ("Sé") by the Company, in order to unify these companies' activities and management. This merge will result in substantial administrative, economic and financial benefits.

Effects in individual statements on December 31, 2015 due to merger of Sé subsidiary are summarized below. Since it is a fully consolidated subsidiary merger there is no impact in the consolidated financial statements neither in individual statement of profit or loss:

	12.31.2015
Assets	
Cash and cash equivalents	100
Other accounts receivable	56
Inventories	59
Report of Foreign Private Issuer	31

Tax recoverable	14
Total current assets	229
Other accounts receivable	4
Tax recoverable	3
Related parties	2,707
Property and equipment, net	228
Intangible	2
Total non current assets	2,944
Total assets	3,173
Liabilities	
Loans	1
Related parties	390
Other accounts payable	45
Total current liabilities	436
Loans	21
Other accounts payable	6
Total non current liabilities	27
Total liabilities	463
Net assets merged	2,710
	15

Companhia Brasileira de Distribuição

Notes to the consolidated financial statements

December 31, 2015 and 2014

(In millions of Brazilian reais, unless otherwise stated)

1. Corporate information - Continued

b) Nova Holding

The Extraordinary Shareholders' Meeting held on December 22, 2015 approved the incorporation of Nova Holding subsidiary by the Company, in order to unify these companies' activities and management. This merge will result in substantial administrative, economic and financial benefits and optimizing corporate group's structure.

Effects in individual statements on December 31, 2015 due to merger of Nova Holding subsidiary are summarized below. Since it is a fully consolidated subsidiary merger there is no impact in the consolidated financial statements neither in individual statement of profit or loss:

	12.31.2015
Assets	
Other accounts receivable	3
Tax recoverable	29
Total current assets	32
Tax recoverable	262
Related parties	2
Investment	(65)
Total non current assets	199
Total assets	231
Liabilities	
Related parties	226
Other accounts payable	5
Total current liabilities	231
Total liabilities	231
Net assets	-

c) Other subsidiaries

The Extraordinary Shareholders' Meeting held on December 29, 2014 approved the merger of the wholly-owned subsidiaries Vedra Empreendimento e Participações S/A, ECQD Participações Ltda., APE SPE 06 – Planejamento e Desenvolvimento de Empreendimentos Imobiliários Ltda., GPA 5 Empreendimentos e Participações S/A, GPA 4 Empreendimentos e Participações S/A., Monte Tardeli Empreendimentos e Participações S/A, P.A. Publicidade Ltda., Vancouver Empreendimentos e Participações Ltda. and Duque Conveniências Ltda. by the Company in order to unify these companies' activities and management. This merge will result in substantial administrative, economic and financial benefits.

The effects on the parent company's balance sheet of December 31, 2014, as a result of the above merger of the subsidiaries above are described below. There were no impacts on the consolidated financial statements nor the individual statement of profit or loss since the incorporated companies are fully consolidated subsidiaries.

Companhia Brasileira de Distribuição

Notes to the consolidated financial statements

December 31, 2015 and 2014

(In millions of Brazilian reais, unless otherwise stated)

1. Corporate information – Continued

c) Other subsidiaries - continued

<u>Assets</u>	12.31.2014
Cash and cash equivalents	1
Other accounts receivable	2
Recoverable taxes	1
Total current assets	4
Other accounts receivable	54
Deferred income and social contribution taxes	3
Related parties	38
Investments	12
Intangible	39
Total noncurrent assets	146
Total Assets	150
 <u>Liabilities</u>	
Related parties	24
Other accounts payable	3
Total current liabilities	27
Other accounts payable	1
Total noncurrent liabilities	1
Total liabilities	28
 Net assets	 122
1.4. Notices from CVM to GPA and subsidiary Via Varejo	

On February 18, 2016, the subsidiary Via Varejo received a notice from CVM, the notice number 18/2016-CVM/SEP/GEA-5 showing the understanding of the Department of Relationship with Companies – SEP in relation to certain accounting entries related to corporate transactions at the level of Via Varejo in

2013. Due to the disclosed effects in its financial statements the Company received the notice number 19/2016-CVM /SEP/GEA-5.

CVM technical office notified its understanding which is different from the applied by Via Varejo in 2013 in relation to (a) revaluation gain on investment in Nova Pontocom due to partial disposal to the Company; and (b) accounting treatment of the control acquisition of Movéis Bartira, by the acquisition of additional 75% interest. In the case of the Company, CVM noticed its understanding related to item (b) above mentioned.

Via Varejo presented an appeal to CVM collegiate requesting suspensive effect in the terms of Deliberation CVM 463, however decided for a restatement of item (i) from CVM notice in its subsidiary Via Varejo, which has no effects in the Company's consolidated financial statements or interim financial information. Via Varejo and the Company awaits for a collegiate decision about the presented arguments for the item (ii), related to effects in acquisition of Indústria de Móveis Bartira. Until this date, there are no effects recorded in the financial statements neither in the interim financial information of the Company.

Companhia Brasileira de Distribuição

Notes to the consolidated financial statements

December 31, 2015 and 2014

(In millions of Brazilian reais, unless otherwise stated)

1. Corporate information – Continued

1.5. Cnova's Investigation and restatement of financial statements previously issued

As disclosed to the market on December 18, 2015, by the subsidiary Cnova NV ("Cnova"), an investigation was conducted by law firms has been established on the employee's practices in inventories of Cnova Comércio Eletrônico S.A. ("Cnova Brasil"), a Cnova NV subsidiary, which is controlled by the Company.

During the investigation other issues have been added to investigation related to accounting matters in the accounts of "trade payables" and "other accounts receivable", which were analyzed, announced to the market January 12, 2016 in the total amount of R\$177. Company considered the facts and circumstances known at the time of preparation of the original financial statements, presented on February 24, 2016 and concluded that new information about investigation would not impact substantially the amount of previously identified adjustments.

Subsequently, the scope of investigation was expanded to include an evaluation over the discrepancies related to accounts payables, accounts receivables/products in transit with freight companies, freight provisions and other expenses and improper capitalization of expenses relating to software development.

As a result, Cnova identified several erros in the financial statements and, consequently, as it is controlled by the Company and consolidated for the presentation of the financial statements, such effects resulted in the same errors in the previously issued financial statements of the Company as of December 31, 2015, 2014 and 2013, which are now restated.

There is no income tax impact over the adjustments, once the Company evaluated and concluded that the deferred income tax would not be recoverable.

The total of the adjustments in Cnova N.V. was R\$557 (R\$512 in result and R\$45 in equity), comprising the adjustments resulting from the investigation, the adjustments related to the changes in accounting practice and the evaluation on the recoverability of deferred income taxes at Cnova N.V., Cnova Brasil and Cdiscount. Additionally, in the consolidated financial statements of the Company for the year ended on December 31, 2015, disclosed on February 24, 2016, part of these adjustments had already been identified and recorded.

The tables below reconcile the final adjustments and the additional effects that were recorded in these restated financial statements, besides the allocation of the effects by year:

	Final amounts	Adjustments recorded and disclosed on 12/31/15 (i)	Other recorded adjustments (ii)	Changes in Provision for the accounting practice (iii)	Provision for recoverability of deferred income tax (iv)	Additional impact
Adjustments related to the investigation	357	(177)	(34)	-	-	146
Change in accounting practice	18	-	-	(18)	-	-
Evaluation of recoverability of deferred income tax of Cnova Brasil	84	-	-	-	(24)	60
Evaluation of recoverability of deferred income tax of Cnova N.V. e Cdiscount	98	-	-	-	-	98
Total	557	(177)	(34)	(18)	(24)	304

Companhia Brasileira de Distribuição

Notes to the consolidated financial statements

December 31, 2015 and 2014

(In millions of Brazilian reais, unless otherwise stated)

1. Corporate information – Continued**1.5. Cnova's Investigation and restatement of financial statements previously issued – continued**

(i) Adjustments identified by the investigation team and recorded on the financial statements originally disclosed on February 24, 2016, note 1.4;

(ii) Adjustments identified and recorded on December 31, 2015, in the normal course of the operations, out of the investigation issues;

(iii) Change of the accounting practice of allocation of warehouse and shipping costs to the inventory, already recorded on December 31, 2015;

(iv) On December 31, 2015, the Company had already recorded the partial write-off of the deferred income tax of Cnova Brasil, based on the available facts and circumstances available at the time;

Below the breakdown of the investigation adjustments per year:

December 31, 2015:

Accounts	Inventories (a)	Trade payables (b)	Write off accounts receivable carriers (c)	Fixed assets and intangibles adjust (d)	Trade accounts receivables and outstanding orders adjust (e)	ICMS, freight, and others adjust (f)	Total recorded 2015 - Previously announced	Total Investiga-tion adjust
Net sales of goods and services	-	-	(60)	-	55	-	110	10
	(42)	1	22	4	-	(10)	98	7

Cost of goods sold and services sold								
Gross profit	(42)	1	(38)	4	55	(10)	208	17
Selling expenses	-	-	17	(13)	7	(2)	(31)	(22)
General and administrative expenses	-	-	-	(4)	-	(2)	-	(6)
Depreciation and amortization	-	-	-	2	-	-	-	-
Others	-	-	-	-	-	-	-	-
operating income (expenses)	-	-	-	(19)	-	1	-	(18)
Profit before financial income (expenses)	(42)	1	(21)	(30)	62	(13)	177	13
Financial income (expenses)	-	-	-	-	-	(5)	-	(5)
Profit before income tax and social contribution	(42)	1	(21)	(30)	62	(18)	177	12
Income tax and social contribution	-	-	-	-	-	-	-	-
Net income (loss)	(42)	1	(21)	(30)	62	(18)	177	12
Accounts receivables	-	-	-	-	(8)	-	-	(8)
Others accounts receivables	-	-	(58)	-	-	-	75	1
Inventories	(47)	-	-	-	-	(24)	47	(24)
Recoverable taxes	-	-	-	-	-	(22)	-	(22)
Others credits	-	-	-	-	-	(1)	-	(1)
Current assets	(47)	-	(58)	-	(8)	(47)	122	(38)
Recoverable taxes	-	-	-	-	4	18	-	2
Deferred income tax and social contribution	-	-	-	-	-	-	-	-

Property and equipment (note 25.9 (iii))	-	-	-	(21)	-	-	-	(21)
Intangible assets	-	-	-	(66)	-	-	-	(66)
Noncurrent assets	-	-	-	(87)	4	18	-	(65)
Total assets	(47)	-	(58)	(87)	(4)	(29)	122	(103)
Trade payables	-	49	-	-	-	29	(55)	2
Others accounts payables	-	-	-	-	18	2	-	2
Current liabilities	-	49	-	-	18	31	(55)	4
Total liabilities	-	49	-	-	18	31	(55)	4
Shareholders' equity (note 25.9 (iii))	(47)	(49)	(58)	(87)	(22)	(60)	177	(146)
Liabilities and shareholders' equity	(47)	-	(58)	(87)	(4)	(29)	122	(103)

Companhia Brasileira de Distribuição

Notes to the consolidated financial statements

December 31, 2015 and 2014

(In millions of Brazilian reais, unless otherwise stated)

1. Corporate information – Continued

1.5. Cnova's Investigation and restatement of financial statements previously issued – continued

December 31, 2014:

Accounts	Inventories (a)	Trade payables (b)	Write off accounts receivable carriers (c)	Fixed assets and intangibles adjust (d)	Trade accounts receivables and outstanding orders adjust (e)	ICMS, freight, provision and others adjust (f)	Total Investigation adjust	IAS 2 - Inventories (h)
Net sales of goods and services	-	-	(59)	-	(59)	-	(118)	
Cost of goods sold and services sold	(5)	(8)	3	(2)	-	(28)	(40)	10
Gross profit	(5)	(8)	(56)	(2)	(59)	(28)	(158)	10
Selling expenses	-	-	(1)	(18)	(11)	-	(30)	
General and administrative expenses	-	-	-	(4)	-	2	(2)	
Depreciation and amortization	-	-	-	2	-	-	2	
Profit (loss) before financial income (expenses)	(5)	(8)	(57)	(22)	(70)	(26)	(188)	10
Financial income	-	-	-	-	-	2	2	

(expenses)								
Profit (loss)								
before income								
tax and social	(5)	(8)	(57)	(22)	(70)	(24)	(186)	10
contribution								
Income tax and								
social	-	-	-	-	-	-	-	
contribution								
Net income	(5)	(8)	(57)	(22)	(70)	(24)	(186)	10
(loss)								
Accounts								
receivables	-	-	-	-	(34)	-	(34)	
Others								
accounts	-	-	(37)	-	-	-	(37)	
receivables								
Inventories	(5)	-	-	-	-	(23)	(28)	(13)
Recoverable								
taxes	-	-	-	-	-	(1)	(1)	
Current	(5)	-	(37)	-	(34)	(24)	(100)	(13)
assets								
Recoverable								
taxes	-	-	-	-	-	4	4	
Intangible								
assets	-	-	-	(58)	-	11	(47)	
Noncurrent	-	-	-	(58)	-	15	(43)	-
assets								
Total assets	(5)	-	(37)	(58)	(34)	(9)	(143)	(13)
Trade payables	-	50	-	-	-	21	71	
Deferred								
revenue	-	-	-	-	-	(2)	(2)	
Others								
accounts	-	-	-	-	53	10	63	
payables								
Current	-	50	-	-	53	29	132	-
liabilities								
Total liabilities	-	50	-	-	53	29	132	-
Shareholders'	(5)	(50)	(37)	(58)	(87)	(38)	(275)	(13)
equity								
Liabilities and	(5)	-	(37)	(58)	(34)	(9)	(143)	(13)
shareholders'								
equity								

Companhia Brasileira de Distribuição

Notes to the consolidated financial statements

December 31, 2015 and 2014

(In millions of Brazilian reais, unless otherwise stated)

1. Corporate information – Continued

1.5. Cnova's Investigation and restatement of financial statements previously issued – continued

January 1, 2014 :

Accounts	Trade payables (b)	Write off accounts receivable carriers (c)	Fixed assets and intangibles adjust (d)	Trade accounts receivables and outstanding orders adjust (e)	ICMS, freight, provision and others adjust (f)	Total Investigation adjust	IAS 2 - Inventories (h)	Net adjust 2015
Net sales of goods and services	-	16	-	1	-	17	-	17
Cost of goods sold and services sold	1	(13)	(1)	-	(6)	(19)	(10)	(29)
Gross profit	1	3	(1)	1	(6)	(2)	(10)	(12)
Selling expenses	-	12	(11)	(2)	(1)	(2)	-	(2)
General and administrative expenses	-	-	(4)	-	-	(4)	-	(4)
Depreciation and amortization	-	-	2	-	-	2	-	2
Profit (loss) before financial income (expenses)	1	15	(14)	(1)	(7)	(6)	(10)	(16)
	1	15	(14)	(1)	(7)	(6)	(10)	(16)

Profit (loss) before income tax and social contribution								
Net income (loss)	1	15	(14)	(1)	(7)	(6)	(10)	(16)
Accounts receivables	-	-	-	32	-	32	-	32
Others accounts receivables	-	2	-	-	-	2	-	2
Inventories	-	-	-	-	2	2	(23)	(21)
Recoverable taxes	-	-	-	-	2	2	-	2
Dividends receivable	-	-	-	-	(12)	(12)	-	(12)
Other credits	-	-	-	-	13	13	-	13
Current assets	-	2	-	32	5	39	(23)	16
Intangibles	-	-	(34)	-	-	(34)	-	(34)
Noncurrent assets	-	-	(34)	-	-	(34)	-	(34)
Total assets	-	2	(34)	32	5	5	(23)	(18)
Trade payables	42	-	-	-	20	62	-	62
Others accounts payables	-	-	-	31	-	31	-	31
Current liabilities	42	-	-	31	20	93	-	93
Total liabilities	42	-	-	31	20	93	-	93
Shareholders' equity	(42)	2	(34)	1	(15)	(88)	(23)	(111)
Liabilities and shareholders' equity	-	2	(34)	32	5	5	(23)	(18)

Companhia Brasileira de Distribuição

Notes to the consolidated financial statements

December 31, 2015 and 2014

(In millions of Brazilian reais, unless otherwise stated)

1. Corporate information – Continued

1.5. Cnova's Investigation and restatement of financial statements previously issued – continued

(a) Cnova's management, supported by the law firms and external consultants, counted the physical inventory items as of December 31, 2015, of all of the seven Distribution Centers of Cnova Brasil. The results of this count did not indicate any significant difference in the expected number of new items in the inventory. However, it was identified discrepancies in the damage or returned products, requiring additional provision for loss in damaged goods.

(b) Cnova's Management verified certain improper transactions related to accounts payable and other accounts arising from manipulation of reports, resulting in recording additional trade payables.

(c) Management identified an overstated amount in net sales and other Cnova accounts receivable. As per the practices of client service of Cnova Brasil, clients receive a substitute product every time the merchandise originally ordered is not received, items are damaged or in inadequate conditions. This second transaction is cancelled when Cnova Brasil receives the original product. Management determined that a substantial part of the second transactions was not reversed, even in the conditions that the original merchandise was never returned to Cnova Brasil. Therefore there were procedures to periodically evaluate old pending returns to estimate the accounting impacts, such procedures failed in reverse incorrect sales.

(d) During the investigation were identified the practice of improper capitalization of expenses in the internal development of intangible assets (software development), without further evidences supporting those amounts, as well as, the capitalization of expenses with consultants also without evidence that the expense was incurred to develop internal softwares. As a consequence was identified the need of write-off of intangibles.

Additionally, as part of the internal controls, there were reperformed fixed assets count, identifying the need of recording a provision for existence in 2015;

(e) Due to the current scenarios and inherent doubts on controls, there were reperformed account reconciliations and extractions of support reports, revealing adjustments to the related accounts of "accounts receivables" and "outstanding orders";

(f) Amounts also related to the reperformance of controls and reports extractions revealing the need of additional provisions for freights, ICMS balances reconciliation and allocation of cash consideration from vendors in accordance with the inventory turnover;

(g) With the evidence of the adjustments recorded, operational performance and need of development of future consistente results, management of the subsidiaries Cnova Brasil, Cnova NV and Cdiscount decided the provision of the deferred income tax asset in Brazil, Nederland and France, respectively;

(h) As a result of an analysis of the best practices in the e-commerce segment, Company evaluated and concluded warehouse and shipping costs would have not be allocated to the inventories valuation, and now recorded directly in expenses.

In summary, management of the Company inform the conclusion of the investigation, evaluating and concluding that the impact related to prior years must be restated for the years ended on December 31, 2015, 2014 and 2013, after considerations of quantitative and qualitative aspects.

Companhia Brasileira de Distribuição

Notes to the consolidated financial statements

December 31, 2015 and 2014

(In millions of Brazilian reais, unless otherwise stated)

1. Corporate information – Continued

1.5. Cnova's Investigation and restatement of financial statements previously issued – continued

Below are presented the impacts in the lines presenting the changes:

Company:December 31, 2015:

Assets	Presented as of 12.31.2015	Total adjust	Restated as of 12.31.2015
Investments	5,178	(29)	5,149
Total assets	21,428	(29)	21,399
Liabilities	Presented as of 12.31.2015	Total adjust	Restated as of 12.31.2015
Noncurrent liabilities	4,589	81	4,670
Shareholders' equity	10,464	(110)	10,354
	Announced of 12.31.2015	Total adjust	Restated as of 12.31.2015
Share of profit of subsidiaries and associates	116	14	130
Net income (loss)	251	14	265

December 31, 2014:

Assets	Presented as of 12.31.2014	Total adjust	Restated as of 12.31.2014
---------------	---------------------------------------	---------------------	--------------------------------------

Investments	8,391	(103)	8,288
Total assets	23,226	(103)	23,123

Liabilities	Presented as of 12.31.2014	Total adjust	Restated as of 12.31.2014
Shareholders' equity	10,580	(103)	10,477

January 1, 2014:

Assets	Presented as of 1.1.2014	Total adjust	Restated as of 1.1.2014
Investments	7,774	(84)	7,690
Total assets	22,213	(84)	22,129

Liabilities	Presented as of 1.1.2014	Total adjust	Restated as of 1.1.2014
Shareholders' equity	9,483	(84)	9,399

Companhia Brasileira de Distribuição

Notes to the consolidated financial statements

December 31, 2015 and 2014

(In millions of Brazilian reais, unless otherwise stated)

1. Corporate information – Continued

1.5. Cnova's Investigation and restatement of financial statements previously issued – continued

Below are presented the impacts in the lines presenting the changes:

Consolidated:December 31, 2015:

Balance Sheet

	Presented as of 12.31.2015	Total Investigation adjust	Deferred income tax and social contribution provision of Cnova Brasil and Cnova NV (g)	Restated as of 12.31.2015
Assets				
Current assets				
Accounts receivables	3,218	(8)	-	3,210
Others accounts receivables	358	17	-	375
Inventories	8,989	(24)	-	8,965
Recoverable taxes	1,102	(22)	-	1,080
Total current assets	24,998	(38)	-	24,960
Noncurrent assets				
Recoverable taxes	2,445	22	-	2,467
Deferred income tax and social contribution	564	-	(158)	406
Property and equipment	10,398	(21)	-	10,377
Intangible assets	6,609	(66)	-	6,543
Noncurrent assets	22,504	(65)	(158)	22,281
Total assets	47,502	(103)	(158)	47,241

Trade payables	15,485	23	-	15,508
Deferred revenue	420	-	-	420
Others accounts payables	1,128	20	-	1,148
Total current liabilities	25,230	43	-	25,273
Controlling shareholders' equity	10,464	(53)	(57)	10,354
Noncontrolling shareholders' equity	3,192	(93)	(101)	2,998
Total shareholders' equity	13,656	(146)	(158)	13,352
Liabilities and shareholders' equity	47,502	(103)	(158)	47,241

24

Companhia Brasileira de Distribuição

Notes to the consolidated financial statements

December 31, 2015 and 2014

(In millions of Brazilian reais, unless otherwise stated)

1. Corporate information – Continued

1.5. Cnova's Investigation and restatement of financial statements previously issued – continued

Below are presented the impacts in the lines presenting the changes:

Statement of Profit or Loss

Accounts	Announced of 12.31.2015	Total Investigation adjust	Deferred income tax and social contribution provision of Cnova Brasil and Cnova NV (g)	IAS 2 - Inventories (h)	Restated of 12.31.2015
Net sales of goods and services	69,115	105	-	-	69,220
Cost of goods sold and services sold	(53,002)	73	-	(5)	(52,934)
Gross profit	16,113	178	-	(5)	16,286
Selling expenses	(11,291)	(22)	-	-	(11,313)
General and administrative expenses	(1,711)	(6)	-	-	(1,717)
Depreciation and amortization	(963)	2	-	-	(961)
Others operating income (expenses)	(684)	(18)	-	18	(684)
	(14,537)	(44)	-	18	(14,563)
Profit before financial income (expenses)	1,576	134	-	13	1,723
Financial income (expenses)	(1,648)	(5)	-	-	(1,653)
Profit before income tax and social contribution	(72)	129	-	13	70

Income tax and social contribution	(242)	-	(104)	-	(346)
Net income (loss)	(314)	129	(104)	13	(276)
Atributable to:					
Controlling shareholders	251	47	(37)	4	265
Noncontrolling shareholders	(565)	83	(67)	8	(541)

Statement of Cash Flows

	Presented as of 12.31.2015	Total adjust	Restated as of 12.31.2015
Net cash provided by operating activities	4,647	(15)	4,632
Net cash provided by investing activities	(1,867)	15	(1,852)

Statement of Value Added

	Presented as of 12.31.2015	Total adjust	Restated as of 12.31.2015
Revenue	76,401	99	76,500
Products acquired from third parties	(60,599)	62	(60,537)
Gross value added	15,802	161	15,963
Total value added distributed	15,604	161	15,765

Companhia Brasileira de Distribuição

Notes to the consolidated financial statements

December 31, 2015 and 2014

(In millions of Brazilian reais, unless otherwise stated)

1. Corporate information – Continued

1.5. Cnova's Investigation and restatement of financial statements previously issued – continued

Below are presented the impacts in the lines presenting the changes:

Consolidated:December 31, 2014:

Balance Sheet

Accounts	Presented as of 12.31.2014	Total Investigation adjust	IAS 2 - Inventories (h)	Restated as of 12.31.2014
Assets				
Current assets				
Accounts receivables	3,210	(34)	-	3,176
Others accounts receivables	295	(37)	-	258
Inventories	8,405	(28)	(12)	8,364
Recoverable taxes	808	(1)	-	807
Total current assets	24,133	(100)	(12)	24,021
Intangible assets	6,495	(47)	-	6,448
Noncurrent assets	21,367	(43)	-	21,324
Total assets	45,500	(143)	(12)	45,345
Trade payables	13,322	71	-	13,393
Deferred revenue	214	(2)	-	212