BRAZILIAN DISTRIBUTION CO COMPANHIA BRASILEIRA DE DISTR CBD
Form 6-K
July 24, 2012

# 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 July, 2012

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_

## 2Q12 Earnings

### Consolidated net income reaches R$ 253 million in the quarter

**São Paulo, Brazil, July 23, 2012** - **Grupo Pão de Açúcar** [BM&FBOVESPA: PCAR4 (PN); NYSE: CBD] and **Via Varejo S.A.** [BM&FBOVESPA: VVAR3] announce their results for the second quarter of 2012 (2Q12). The results are presented in the segments as follows: **GPA Food**, which comprises supermarkets (Pão de Açúcar, Extra Supermercado and PA Delivery), hypermarkets (Extra Hiper), neighborhood stores (Minimercado Extra), cash-and-carry stores (Assaí), gas stations and drugstores; and **GPA Consolidated**, comprised by GPA Food and Viavarejo (Casas Bahia and Ponto Frio's bricks-and-mortar stores and Nova Pontocom's e-commerce: Extra.com.br, PontoFrio.com.br and Casasbahia.com.br).

## GPA Food

### Gross sales revenue up 7.3% in 2Q12

### GPA Food’s EBITDA margin at 8.5% in 2Q12

- Gross sales revenue at R$ 7.437 billion, up 7.3% over 2Q11
- Gross profit at R$ 1.801 billion, up 14.8% over 2Q11
- EBITDA at R$ 574 million, up 37.0% over 2Q11, with margin at 8.5%
- Net income at R$ 253 million, up 171.3% over 2Q11
- Impact on results of R$ 98 million related to real estate projects (more on page 8). Results excluding the real estate projects are presented as from page 2.

## GPA Consolidated

### EBITDA totaled R$ 787 million in 2Q12, up 22.8% over 2Q11, and EBITDA margin at 6.5%

## Net income totaled R$ 255 million, up 179.7% over 2Q11

- Gross sales revenue totaled R$ 13.512 billion, up 7.2% over 2Q11
- Gross profit at R$ 3.241 billion, up 8.5%
- EBITDA at R$ 787 million, up 22.8%
- Net income at R$ 255 million, up 179.7% over 2Q11

**HIGHLIGHTS**

| | GPA Food | | | | | | GPA Consolidated | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **(R$ million)[1]** | 2Q12 | 2Q11 | Δ | 1H12 | 1H11 | Δ | 2Q12 | 2Q11 | Δ | 1H12 | 1H11 | Δ |
| **Gross Sales Revenue** | 7,437 | 6,928 | 7.3% | 14,808 | 13,569 | 9.1% | 13,512 | 12,605 | 7.2% | 27,172 | 24,978 | 8.8% |
| **Net Sales Revenue** | 6,720 | 6,229 | 7.9% | 13,376 | 12,213 | 9.5% | 12,037 | 11,270 | 6.8% | 24,185 | 22,139 | 9.2% |
| Gross Profit | 1,801 | 1,569 | 14.8% | 3,527 | 3,106 | 13.6% | 3,241 | 2,987 | 8.5% | 6,497 | 5,836 | 11.3% |
| **Gross Margin** | **26.8%** | **25.2%** | **160 bps** | **26.4%** | **25.4%** | **100 bps** | **26.9%** | **26.5%** | **40 bps** | **26.9%** | **26.4%** | **50 bps** |
| EBITDA | 574 | 419 | 37.0% | 1,067 | 841 | 26.9% | 787 | 641 | 22.8% | 1,545 | 1,224 | 26.3% |
| **EBITDA Margin[2]** | **8.5%** | **6.7%** | **180 bps** | **8.0%** | **6.9%** | **110 bps** | **6.5%** | **5.7%** | **80 bps** | **6.4%** | **5.5%** | **90 bps** |
| Net Financial Revenue (Expenses) | (121) | (166) | -27.4% | (263) | (328) | -19.7% | (285) | (336) | -15.3% | (620) | (662) | -6.2% |
| **% of net sales revenue** | **1.8%** | **2.7%** | **-90 bps** | **2.0%** | **2.7%** | **-70 bps** | **2.4%** | **3.0%** | **-60 bps** | **2.6%** | **3.0%** | **-40 bps** |
| Net Income - Controlling Shareholders [3] | 253 | 93 | 171.3% | 414 | 239 | 73.5% | 255 | 91 | 179.7% | 421 | 223 | 88.5% |
| **Net Margin** | **3.8%** | **1.5%** | **230 bps** | **3.1%** | **2.0%** | **110 bps** | **2.1%** | **0.8%** | **130 bps** | **1.7%** | **1.0%** | **70 bps** |

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

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

(3) Net Income after noncontrolling shareholders

## PERFORMANCE BY SEGMENT

The Company’s operations are integrated into two business segments, as shown below:

In order to enable comparison of the Company’s figures, the tables and explanations about the 2Q12 earnings will be presented excluding revenue from the Company’s real estate projects (see page 8).

## SALES PERFORMANCE

| | GPA Food ex-real estate projects | | | GPA Food *(ex-real estate projects )* | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Retail | | | Cash and Carry | | |
| **(R$ million)** | **2Q12** | **2Q11** | **Δ** | **2Q12** | **2Q11** | **Δ** | **2Q12** | **2Q11** | **Δ** |
| **GrossSales Revenue** | 7,339 | 6,928 | 5.9% | 6,196 | 5,900 | 5.0% | 1,142 | 1,028 | 11.1% |
| **Net Sales Revenue** | 6,621 | 6,229 | 6.3% | 5,579 | 5,296 | 5.3% | 1,043 | 933 | 11.7% |
| **Gross'Same-Store' Sales Revenue** | 4.7% | 9.1% | | | | | | | |
| Food | 4.8% | 10.0% | | | | | | | |
| Non-food | 4.3% | 5.9% | | | | | | | |

**GPA Food 2Q12 x 2Q11** *(excludes real estate projects)*

GPA Food's gross sales revenue increased 5.9% in 2Q12 over 2Q11, due, among other factors, to the opening of 14 stores in the past 12 months and to the conclusion of the conversion process for banners CompreBem and Sendas into Extra Supermercado and banner Extra Fácil into Minimercado Extra.

Gross same-store sales growth was 4.7%, or -0.2% in real terms, when deflated by the IPCA benchmark inflation index for the period. It is worth noting that, differently from 2Q11, the shopping period ahead of Easter Day also impacted the first quarter of 2012. The Company's sales performance was also impacted by the retail sales in the beginning of the second quarter, in line with the performance released by the Brazilian Geography and Statistics Institute (IBGE), which showed the slowest growth pace since March 2009.

4 Retail: Gross sales revenue up 5.0% over 2Q11, mainly due to:

§ Differentiated performance in some segments, mainly of the general merchandise segment, which posted higher sales revenue due to the introduction of a broader assortment for such products, and of the home and personal care segment, for which several initiatives were developed jointly with suppliers. The trend was offset by a decline in the fish segment's sales revenue, due to the Easter effect and to a lower average price per kilo;

§ Faster sales pace in the neighborhood and supermarket formats. The first format saw the conversion of of 66 Extra Fácil stores into Minimercado Extra. Minimercado's value proposition is different from Extra Fácil's, once the first offers a broader assortment of perishables and services, in addition to assortment adjusted to each microregion. In 2Q12, the conversion process of banner Extra Fácil into Minimercado Extra was concluded. As for the second format, Extra Supermercado also posted growth above the Group's average in gross same-store sales.

4 Cash and carry: Gross sales revenue up 11.1%, mainly due to:

§ Brand repositioning, with assortment changes, a process which began in the second half of 2011, focusing on the assortment to the target publics - processors, distributors and users, which favors an increase in the average ticket.

| GPA Food<br>ex-real estate projects | GPA Consolidated<br>*ex-real estate projects* |
|---|---|

| (R$ million) | 1H12 | 1H11 | Δ | 2Q12 | 2Q11 | Δ | 1H12 | 1H11 | Δ |
|---|---|---|---|---|---|---|---|---|---|
| **Gross Sales Revenue** | 14,709 | 13,569 | 8.4% | 13,414 | 12,605 | 6.4% | 27,073 | 24,978 | 8.4% |
| **Net Sales Revenue** | 13,278 | 12,213 | 8.7% | 11,939 | 11,270 | 5.9% | 24,087 | 22,139 | 8.8% |
| **Gross 'Same-Store' Sales Revenue** | 7.0% | 7.4% | | 5.6% | 10.1% | | 7.6% | 8.5% | |
| Food | 7.0% | 7.4% | | | | | | | |
| Non-food | 6.7% | 7.3% | | | | | | | |

## GPA Food 1H12 x 1H11 *(excludes real estate projects)*

In the first half of 2012, gross sales revenue increased 8.4%. The 7.0% same-store sales growth, or 2.0% in real terms, is due to the successful conversions into Extra Supermercado and Minimercado Extra, as these banners' stores posted improved performance compared with the ones in operation before the conversion, and to the opening of 10 stores in the past 12 months (for further information, see page 10, on the CAPEX section).

## GPA Consolidated 2Q12 x 2Q11

Gross sales revenue totaled R$ 13.414 billion in 2Q12, up 6.4%. In addition to GPA Food's growth, as explained above, sales increase at Viavarejo stood out. The operation posted sales growth in two of the industry's main shopping dates for the home appliances segment: Mothers' Day, in May, and Valentines' Day, commemorated in June in Brazil, and were also benefitted by an extension of the reduction on the IPI tax on some white-line products and relaxation in the tax on furniture.

## GPA Consolidated 1H12 x 1H11

Gross sales revenue totaled R$ 27.073 billion, up 8.4%. Same-store sales growth was 7.6%.

## Operating Performance

| | GPA Food ex-real estate projects | | | GPA Food *(ex-real estate projects)* | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Retail | | | | Cash and Carry | | | | |
| **(R$ million)** | **2Q12** | **2Q11** | **Δ** | **2Q12** | **2Q11** | **Δ** | | **2Q12** | **2Q11** | **Δ** | | |
| **Net Sales Revenue** | 6,621 | 6,229 | 6.3% | 5,579 | 5,296 | 5.3% | | 1,043 | 933 | 11.7% | | |
| **Gross Profit** | 1,703 | 1,569 | 8.5% | 1,550 | 1,454 | 6.6% | | 153 | 115 | 32.5% | | |
| **Gross Margin** | 25.7% | 25.2% | 50 bps | 27.8% | 27.5% | 30 bps | | 14.6% | 12.3% | 230 bps | | |
| Selling Expenses | (1,049) | (988) | 6.2% | (947) | (892) | 6.1% | | (102) | (96) | 6.6% | | |
| General and Administrative Expenses | (175) | (162) | 8.2% | (165) | (156) | 5.4% | | (10) | (5) | 88.5% | | |
| **Total Operating Expenses** | (1,224) | (1,150) | 6.5% | (1,112) | (1,048) | 6.0% | | (113) | (102) | 11.0% | | |
| **% of Net Sales Revenue** | 18.5% | 18.5% | 0 bps | 20.0% | 19.8% | 20 bps | | 10.8% | 10.9% | -10 bps | | |
| **EBITDA** | 479 | 419 | 14.2% | 439 | 406 | 8.2% | | 40 | 14 | 192.3% | | |
| **EBITDA Margin** | 7.2% | 6.7% | 50 bps | 7.9% | 7.7% | 20 bps | | 3.8% | 1.5% | 230 bps | | |

## GPA Food 2Q12 x 2Q11 *(excludes real estate projects)*

In 2Q12, EBITDA totaled R$ 479 million, up 14.2%, and margin was up 50 basis points, to 7.2%. EBITDA of the retail segment increased 8.2%, while EBITDA of the cash-and-carry segment increased 192.3%. In 2Q11, the cash-and-carry segment accounted for 14.8% in GPA Food's gross sales revenue, and increased to 15.6% in 2Q12. This segment's participation on

GPA Food's EBITDA accounted for 8.3% in 2Q12, up from 3.3% in 2Q11.

4 Retail: EBITDA margin reached 7.9%, a 20-basis-point gain, due to:

§ 30-basis-point gain in gross margin, following a sales mix with higher value-added products, such as perishables and general merchandise, which were also favored by the conversions into Minimercado Extra and Extra Supermercado, once these categories' presence is higher on those formats. Such performance was in line with the trend in the previous quarters;

§ Increase of 20 basis points in total operating expenses as percentage of net sales revenue due to an increase in personnel and marketing expenses.

4 Cash and carry: the segment posted EBITDA margin at 3.8%, up 230 basis points over 2Q11, due to:

§ 230 basis-point increase in gross margin, to 14.6%, following maturation of stores opened in the past 2 years; new positioning in assortment for the target public, which privileges more profitable items;

§ Reduction in sales expenses due to productivity gains in stores and adjustment of services rendered at the stores. The sales area reformatting, for inventory optimization, and the logistics model review benefit expense control;

## GPA Food 1H12 x 1H11 *(excludes real estate projects)*

EBITDA increased 16.2%, due to a 10.4% increase in gross profit and maintenance of operating expenses as percentage of gross sales revenue at 18.5%.

| | GPA Food ex-real estate projects | | | GPA Consolidated ex-real estate projects | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **(R$ million)** | **1H12** | **1H11** | **Δ** | **2Q12** | **2Q11** | **Δ** | **1H12** | **1H11** | **Δ** |
| **Net Sales Revenue** | 13,278 | 12,213 | 8.7% | 11,939 | 11,270 | 5.9% | 24,087 | 22,139 | 8.8% |
| **GrossProfit** | 3,429 | 3,106 | 10.4% | 3,142 | 2,987 | 5.2% | 6,398 | 5,836 | 9.6% |
| **Gross Margin** | 25.8% | 25.4% | 40 bps | 26.3% | 26.5% | -20 bps | 26.6% | 26.4% | 20 bps |
| Selling Expenses | (2,086) | (1,926) | 8.3% | (2,039) | (1,922) | 6.1% | (4,098) | (3,803) | 7.8% |
| General and Administrative Expenses | (365) | (339) | 7.7% | (411) | (424) | -3.0% | (845) | (809) | 4.4% |
| **Total Operating Expenses** | (2,451) | (2,265) | 8.2% | (2,450) | (2,346) | 4.4% | (4,942) | (4,612) | 7.2% |
| **% of Net Sales Revenue** | 18.5% | 18.5% | 0 bps | 20.5% | 20.8% | -30 bps | 20.5% | 20.8% | -30 bps |
| **EBITDA** | 978 | 841 | 16.2% | 692 | 641 | 7.9% | 1,456 | 1,224 | 19.0% |
| **EBITDA Margin** | 7.4% | 6.9% | 50 bps | 5.8% | 5.7% | 10 bps | 6.0% | 5.5% | 50 bps |

## GPA Consolidated 2Q12 x 2Q11

Gross margin declined 20 basis points, due to fiercer competition in the segments in which Viavarejo operates; the increase in participation of white-line products sales, which carry lower margins compared with those of other categories; and increase in participation of the cash-and-carry segment in GPA Food's sales, as mentioned above.

In 2Q12, EBITDA totaled R$ 692 million, up 7.9%, with margin at 5.8%, up 10 basis points over 2Q11, due to operation improvement in GPA Food, as mentioned above, through maintenance in operating expenses as percentage of net sales revenue.

## GPA Consolidated 1H12 x 1H11

EBITDA increased 19.0% to R$ 1.456 billion, with margin at 6.0%, up 50 basis points over 1H11.

## Financial Performance and Indebtedness

### Financial Result

| | GPA Food *ex-real estate projects* | | | | | | GPA Consolidated *ex-real estate projects* | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **(R$ million)** | **2Q12** | **2Q11** | **Δ** | **1H12** | **1H11** | **Δ** | **2Q12** | **2Q11** | **Δ** | **1H12** | **1H11** | **Δ** |
| Financial Revenue | 123 | 102 | 19.9% | 228 | 195 | 17.4% | 151 | 139 | 8.5% | 296 | 272 | 8.8% |
| Financial Expenses | (244) | (269) | -9.3% | (492) | (523) | -5.8% | (436) | (475) | -8.2% | (917) | (934) | -1.8% |
| **Net Financial Revenue (Expenses)** | **(121)** | **(166)** | **-27.2%** | **(264)** | **(328)** | **-19.6%** | **(285)** | **(336)** | **-15.2%** | **(621)** | **(662)** | **-6.2%** |
| **% of Net Sales Revenue** | **1.8%** | **2.7%** | **-90 bps** | **2.0%** | **2.7%** | **-70 bps** | **2.4%** | **3.0%** | **-60 bps** | **2.6%** | **3.0%** | **-40 bps** |
| Charges on Net Bank Debt | (64) | (85) | -25.4% | (143) | (169) | -15.3% | (66) | (138) | -52.0% | (144) | (266) | -46.1% |
| Cost of Discount of Receivables | (26) | (34) | -24.5% | (56) | (82) | -32.4% | (191) | (167) | 14.0% | (422) | (333) | 26.9% |
| Restatement of Other Assets and Liabilities | (32) | (47) | -32.4% | (65) | (77) | -15.3% | (28) | (30) | -8.0% | (55) | (63) | -12.3% |
| **Net Financial Revenue (Expenses)** | **(121)** | **(166)** | **-27.2%** | **(264)** | **(328)** | **-19.6%** | **(285)** | **(336)** | **-15.2%** | **(621)** | **(662)** | **-6.2%** |

**GPA Food 2Q12 x 2Q11** *(excludes real estate projects)*

The net financial expense was R$ 121 million, and accounted for 1.8% of net sales revenue, down 90 basis points from that in 2Q11. Such reduction is due to the effects from the decline in the base interest rate, notably as from September 2011, which impacts the Company as explained below:

§ R$ 64 million in charges on the net bank debt, which accounted for 1.0% of net sales volume, down 40 basis points from 2Q11. The interest rate decline in the period benefitted this reduction;

§ R$ 26 million in discounted credit card receivables cost, which accounted for 0.4% of net sales revenue. The 20 basis-point reduction, as compared with 2Q11, is directly impacted by a maintenance in the Company's commercial policy coupled with an interest rate decline;

§ R$ 32 million in restatement of other assets and liabilities, which accounted for 0.5% of net sales revenue in the quarter, down 20 basis points from 2Q11.

**GPA Food 1H12 x 1H11** *(excludes real estate projects)*

The net financial result was an expense of R$ 264 million, down 19.6%, despite the 8.4% increase in gross sales revenue. The result was impacted by a decline in interest rates and control in payment conditions.

**GPA Consolidated 2Q12 x 2Q11**

The net financial result was an expense of R$ 285 million and accounted for 2.4% of net sales revenue, down 60 basis points from 2Q11.

**GPA Consolidated 1H12 x 1H11**

In the first half of 2012, the net financial result was an expense of R$ 621 million and accounted for 2.6% of net sales revenue, down 40 basis points from 1H11.

**6/18**

## Indebtedness

| | GPA Food | | | GPA Consolidated | |
|---|---|---|---|---|---|
| **(R$ million)** | **06.30.2012** | **03.31.2012** | | **06.30.2012** | **03.31.2012** |
| **Short Term Debt** | **(2,084)** | **(2,382)** | | **(2,373)** | **(2,442)** |
| Loans and Financing | (1,406) | (1,859) | | (1,581) | (1,915) |
| Debentures | (679) | (523) | | (792) | (527) |
| **Long Term Debt** | **(4,767)** | **(3,199)** | | **(5,658)** | **(3,827)** |
| Loans and Financing | (1,754) | (1,302) | | (1,844) | (1,529) |
| Debentures | (3,012) | (1,896) | | (3,814) | (2,298) |
| **Total Gross Debt** | **(6,851)** | **(5,581)** | | **(8,031)** | **(6,269)** |
| **Cash** | **4,221** | **2,831** | | **5,473** | **3,746** |
| **Net Debt** | **(2,630)** | **(2,750)** | | **(2,557)** | **(2,523)** |
| **Net Debt / EBITDA[1]** | **1.26x** | **1.36x** | | **0.78x** | **0.78x** |
| **Payment book - short term** | - | - | | (2,227) | (2,211) |
| Payment book - long term | - | - | | (116) | (112) |
| Net Debt with payment book | **-** | **-** | | **(4,900)** | **(4,846.69)** |
| **Net Debt / EBITDA[1]** | **1.26x** | **1.36x** | | **1.50x** | **1.51x** |

[1] EBITDA f or t he last 12 mont hs. Doesnot include real est at e project s

### GPA Food *(excludes real estate projects)*

On 06/30/2012, GPA Food's net debt totaled R$ 2.630 billion, down R$ 120 million from 03/31/2012, mainly due to the cash generation in the period. The net-debt-to-EBITDA ratio was at 1.26 x at the end of June.

### GPA Consolidated

Net debt totaled R$ 2.557 billion as of 06/30/2012, up R$ 34 million in comparison with 03/31/2012. The net-debt-to-EBITDA ratio was at 0.78x.

The Company issued three new series of debentures in the quarter and will use the proceeds to lengthen its debt profile:

§ 11th simple debenture issue of Companhia Brasileira de Distribuição (CBD) - R$ 1.200 billion, with yield of 100% of the CDI + spread of 1% and to mature in 42 months;

§ 1st simple debenture issue of Nova Pontocom (NPC) - R$ 100 million, with yield at 105.35% of the CDI and to mature in 12 months; and

§ 1st simple debenture issue of Nova Casa Bahia (NCB) - R$ 400 million, with yield at 100% of the CDI + spread of 0.72% and to mature in 31 months.

The Company endorsed both debenture issues.

## GPA Malls & Properties

The opening of stores at Grupo Pão de Açúcar is the result of a planned expansion process. The Company uses its market intelligence to promote synergies between its retail strength and its real estate assets, which are managed by its real estate unit, GPA Malls & Properties (GPA M&P). GPA M&P manages and explores the Company's real estate assets, and looks at unlocking value in this market.

In the second quarter, a R$ 98 million gross sales revenue was recognized. It is related to a land swap with Cyrela and with Pitangueiras Desenvolvimento Imobiliário of Company's pieces of land for the development and construction of projects, among them Thera Faria Lima Pinheiros, launched in October 2011, and Figue, respectively. The swap revenue is net of the accounting cost of the piece of land.

It is worth noting that the operational cycle at the real estate industry is different from that at the retail industry, for it is longer, generally exceeds the fiscal year period in which the project started and relies on real estate launches and their pace.

For further information on the recognition of such revenue, see explanatory notes number 3.b. and 26, on the Financial Statements.

## Net income

| | **GPA Food** *ex-real estate projects* | | | | | | **GPA Consolidated** *ex-real estate projects* | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **(R$ million)** | **2Q12** | **2Q11** | **Δ** | **1H12** | **1H11** | **Δ%** | **2Q12** | **2Q11** | **Δ%** | **1H12** | **1H11** | **Δ%** |
| **EBITDA** | **479** | **419** | **14.2%** | **978** | **841** | **16.2%** | **692** | **641** | **7.9%** | **1,456** | **1,224** | **19.0%** |
| Depreciation and Amortization | (156) | (116) | 34.0% | (303) | (241) | 25.6% | (189) | (150) | 25.7% | (375) | (308) | 21.7% |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Net Financial Revenue (Expenses) | (121) | (166) | -27.2% | (264) | (328) | -19.6% | (285) | (336) | -15.2% | (621) | (662) | -6.2% |
| Equity Income | (2) | (1) | 111.9% | 2 | 6 | -68.1% | (3) | 3 | -199.4% | 2 | 13 | -83.5% |
| Result from Permanent Assets | (14) | 1 | - | (24) | 1 | 0.0% | (10) | 1 | - | (3) | 1 | -347.2% |
| Nonrecurring Result | - | (49) | - | - | (49) | - | - | (49) | - | - | (49) | - |
| Other Operating Revenue (Expenses) | 23 | 6 | 294.2% | 23 | 0 | 0.0% | 16 | (15) | -212.6% | 15 | (27) | -154.2% |
| **Income Before Income Tax** | **208** | **93** | **124.8%** | **412** | **231** | **78.7%** | **222** | **95** | **134.6%** | **474** | **192** | **146.7%** |
| Income Tax | (64) | (1) | N/A | (115) | (3) | 0.0% | (73) | (9) | 746.8% | (156) | 5 | - |
| Minority Interest - Noncontrolling | 13 | 2 | - | 27 | 12 | 134.9% | 9 | 5 | 90.6% | 14 | 26 | -47.9% |
| **Net Income[(1)] - Controlling Shareholders** | **157** | **93** | **68.6%** | **325** | **239** | **35.9%** | **159** | **91** | **74.5%** | **331** | **223** | **48.3%** |
| **Net Margin** | **2.4%** | **1.5%** | **90 bps** | **2.4%** | **2.0%** | **40 bps** | **1.3%** | **0.8%** | **50 bps** | **1.4%** | **1.0%** | **40 bps** |
| | | | | | | | | | | | | |
| **Net income GPA Malls & Properties** | **96** | **-** | **-** | **90** | **-** | **-** | **96** | **-** | **-** | **90** | **-** | **-** |
| | | | | | | | | | | | | |
| **Net Income[(1)] - Controlling Shareholders** | **253** | **93** | **171.3%** | **414** | **239** | **73.5%** | **255** | **91** | **179.7%** | **421** | **223** | **88.5%** |
| **Net Margin** | **3.8%** | **1.5%** | **230 bps** | **3.1%** | **2.0%** | **110 bps** | **2.1%** | **0.8%** | **130 bps** | **1.7%** | **1.0%** | **70 bps** |
| | | | | | | | | | | | | |
| **Total Nonrecurring** | **-** | **35** | **-** | **-** | **35** | **-** | **10** | **66** | **-** | **10** | **73** | **-** |
| Refis 11.941/2009 | - | 28 | - | - | 28 | - | - | 28 | - | - | 28 | - |
| Expenses (Revenues) with Association | - | 21 | - | - | 21 | - | 10 | 47 | - | 10 | 53 | - |
| Income Tax from Nonrecurring | - | (10) | - | - | (10) | - | (3) | (14) | - | (3) | (16) | - |
| Minority Interest | - | (5) | - | - | (5) | - | 3 | 5 | - | 3 | 8 | - |
| **Adjusted Net Income** | **253** | **128** | **97.8%** | **414** | **273** | **51.6%** | **264** | **157** | **68.4%** | **431** | **297** | **45.3%** |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Adjusted Net Margin** | **3.8%** | **2.1%** | **170 bps** | **3.1%** | **2.2%** | **90 bps** | **2.2%** | **1.4%** | **80 bps** | **1.8%** | **1.3%** | **50 bps** |

(1) Net Income after noncontrolling shareholders

## GPA Food 2Q12 x 2Q11 *(excludes real estate projects)*

Operating income before income tax totaled R$ 208 million, up 124,8% over 2Q11. The increase reflects the operational improvement in all formats and strict control over operating and financial expenses. Net income increased 68.6%, to R$ 157 million, with net margin at 2.4%, up 90 basis points.

Net income for GPA Food including the real estate projects totaled R$ 253 million in 2Q12, up 171.3% over the same year-ago period. In 1H12, net income totaled R$ 414 million, up 73.5% over 1H11.

### GPA Food 1H12 x 1H11 *(excludes real estate projects)*

In the first half, the operating income before income tax totaled R$ 412 million, up 78.7% over the same period last year;

### GPA Consolidated 2Q12 x 2Q11

Net income totaled R$ 159 million, up 74.5% over 2Q11, reflecting the operational improvements in GPA Food. The net margin increased 50 basis points in 2Q12 to 1.3%.

### GPA Consolidated 1H12 x 1H11

In the first half, net income, including Malls & Properties operations, totaled R$ 421 million, up 88.5% over the same period last year.

## Cash Flow

| | GPA Food | | | | | | GPA Consolidated | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **(R$ million)** | **2Q12** | **2Q11** | **Δ** | **1H12** | **1H11** | **Δ** | **2Q12** | **2Q11** | **Δ** | **1H12** | **1H11** | **Δ** |
| **Cash Balance at beginning of period** | 2,831 | 2,441 | 391 | 3,544 | 2,468 | 1,076 | 3,746 | 3,588 | 158 | 4,970 | 3,818 | 1,152 |
| **Cash Flow from operating activities** | 655 | 635 | 20 | 327 | 390 | (63) | 623 | 536 | 87 | 61 | (310) | 371 |
| EBITDA | 574 | 419 | 155 | 1,067 | 841 | 226 | 787 | 641 | 146 | 1,545 | 1,224 | 321 |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Cost of Discount of Receivables | (43) | (41) | (2) | (72) | (88) | 16 | (153) | (194) | 41 | (304) | (360) | 56 |
| Working Capital | 123 | 257 | (133) | (668) | (363) | (305) | (11) | 89 | (100) | (1,181) | (1,174) | (6) |
| **Cash Flow from Investment Activities** | (276) | (214) | (63) | (451) | (436) | (15) | (345) | (320) | (25) | (547) | (584) | 37 |
| Net CAPEX | (245) | (94) | (151) | (455) | (436) | (19) | (314) | (238) | (76) | (550) | (584) | 34 |
| Aquisition and Others | (31) | (120) | 89 | 3 | - | 3 | (31) | (82) | 51 | 3 | - | 3 |
| **Cash Flow from Financing Activities** | 1,011 | (285) | 1,297 | 801 | 154 | 647 | 1,450 | 159 | 1,291 | 990 | 1,040 | (50) |
| Dividends Payments and Others | (131) | (137) | 6 | (131) | (137) | 6 | (131) | (137) | 6 | (131) | (137) | 6 |
| Net Proceeds | 1,142 | (149) | 1,291 | 932 | 291 | 641 | 1,580 | 296 | 1,285 | 1,120 | 1,176 | (56) |
| **Variation of Net Cash Generated** | 1,390 | 136 | 1,254 | 677 | 108 | 569 | 1,728 | 375 | 1,352 | 503 | 145 | 358 |
| **Cash Balance at end of period** | 4,221 | 2,576 | 1,645 | 4,221 | 2,576 | 1,645 | 5,473 | 3,963 | 1,510 | 5,473 | 3,963 | 1,510 |

### GPA Food 2Q12 x 2Q11 *(excludes real estate projects)*

At the end of 2Q12, GPA Food´s cash flow was positive by R$ 4.221 billion, up R$ 1.645 billion over 2Q11, mostly due to the net proceeds and operating cash generation in the period. In May, the Company concluded its 11st debentures issue in the amount of R$ 1.200 billion.

### GPA Consolidated 2Q12 x 2Q11

Cash flow in 2Q12 stood at R$ 5.473 billion, a R$ 1.510 billion change in the period.

## CAPEX

| | GPA Food | | | | | | GPA Consolidated | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **(R$ million)** | 2Q12 | 2Q11 | Δ | 1H12 | 1H11 | Δ | 2Q12 | 2Q11 | Δ | 1H12 | 1H11 | Δ |
| New stores and land acquisition | 119 | 23 | 412.1% | 182 | 85 | 114.5% | 155 | 34 | 359.6% | 232 | 111 | 108.7% |
| Store renovations and conversions | 98 | 97 | 0.8% | 181 | 222 | -18.3% | 107 | 115 | -6.8% | 198 | 242 | -18.3% |
| Infrastructure and Others | 102 | 85 | 19.0% | 145 | 148 | -2.4% | 129 | 141 | -8.2% | 204 | 220 | -7.2% |
| **Total** | **318** | **206** | **54.7%** | **508** | **455** | **11.7%** | **392** | **290** | **35.1%** | **633** | **573** | **10.5%** |

### GPA Food 2Q12 x 2Q11 *(excludes real estate projects)*

In 2Q12, GPA Food invested R$ 318 million, allocated as follows:

§ R$ 119 million to store renovations and conversions. In 2Q12, the Company opened one Pão de Açúcar store, one Extra Hiper, one Minimercado Extra, and five drugstores.

§ R$ 98 million to store openings, construction and land acquisitions. In 2Q12, the conversion process of Extra Fácil to Minimercado Extra stores was concluded;

§ R$ 102 million to infrastructure (technology and logistics) and others;

### GPA Food 1H12 x 1H11

In the first half, GPA Food invested R$ 508 million, most of which, 72.0%, were aimed to land acquisitions and store openings and to renovations and conversions. GPA Food's sales area, which totaled 1,887 thousand square meters mil at the end of the period, should increase between 6.0% and 6.7% in 2012, as per the guidance released by the Company on 05/08/12.

## GPA Consolidated 2Q12 x 2Q11

Investments totaled R$ 391 million, representing 62% of total invested in the first half of the year, which include R$ 73 million invested in Viavarejo and R$ 318 million from GPA Food, as detailed above.

In addition to the GPA Food stores mentioned above, another three Ponto Frio and three Casas Bahia stores were opened in the period. Another 14 GPA Food stores and 18 Viavarejo are currently being built.

Investments in the period are in line with the Company’s annual business plan. The Company reaffirm the guidance of approximately R$ 1.8 billion in investments for this year, of which R$ 1.4 billion to GPA Food and R$ 400 million to GPA Non Food.

## Dividends

## GPA Consolidated

| | GPA Consolidated | | | | | |
|---|---|---|---|---|---|---|
| **(R$ million)** | **2Q12** | **2Q11** | **Δ** | **1H12** | **1H11** | **Δ** |
| **Dividends** | 27,9 | 22,6 | 23,5% | 55,7 | 45,1 | 23,5% |

## GPA Consolidated

On 07/23/2012, the Board of Directors approved the prepayment of interim dividends totaling R$0.11 per preferred share and R$0.10 per common share. Dividends to be paid in 2Q12 will total R$27.9 million, complying with Company's Dividend Payment Policy, approved by the Board of Directors' Meeting of 08/03/2009.

The interim payment referring to 2Q12 will be made on 08/13/2012. Shareholders registered as such on 07/31/2012 will be entitled to receive the payment. Shares will be traded ex-dividends as of 08/01/2012, until the payment date.

| BALANCE SHEET ASSETS | | | | | | |
|---|---|---|---|---|---|---|
| | GPA Food | | | GPA Consolidated | | |
| **(R$ million)** | **06.30.2012** | **03.31.2012** | **06.30.2011** | **06.30.2012** | **03.31.2012** | **06.30.2011** |
| **Current Assets** | **9,019** | **8,167** | **7,158** | **16,694** | **15,466** | **15,295** |
| Cash and Marketable Securities | **4,221** | 2,831 | **2,576** | 5,473 | 3,746 | 3,963 |
| Accounts Receivable | **260** | 309 | **183** | 2,253 | 2,284 | 1,985 |
| Credit Cards | **181** | 215 | **112** | 389 | 381 | 202 |
| Payment book | **-** | - | **-** | 1,961 | 1,988 | 1,835 |
| Sales Vouchers and Others | **76** | 90 | **67** | 105 | 106 | 131 |
| Post-Dated Checks | **4** | 4 | **5** | 4 | 4 | 5 |
| Allowance for Doubtful Accounts | **(1)** | (0) | **(2)** | (205) | (195) | (189) |
| Resulting from Commercial Agreements | **389** | 392 | **279** | 389 | 392 | 279 |
| Receivables Fund (FIDC) | **1,056** | 1,086 | **1,090** | 2,381 | 2,364 | 2,341 |
| Inventories | **2,603** | 2,832 | **2,323** | 4,939 | 5,178 | 4,816 |
| Recoverable Taxes | **270** | 445 | **440** | 826 | 1,032 | 1,347 |
| Expenses in Advance and Other Accounts Receivables | **219** | 272 | **268** | 432 | 470 | 564 |
| **Noncurrent Assets** | **14,278** | **13,799** | **12,934** | **17,261** | **16,564** | **15,128** |
| Long-Term Assets | **2,564** | 2,243 | **1,916** | 4,405 | 3,893 | 3,061 |
| Marketable Securities | **-** | - | **-** | - | - | - |
| Accounts Receivables | **462** | 448 | **519** | 556 | 543 | 612 |
| Paes Mendonça | **462** | 448 | **434** | 462 | 448 | 434 |
| Payment Book | **-** | - | **-** | 102 | 101 | 98 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Others | **-** | - | **89** | - | - | 89 |
| Allowance for Doubtful Accounts | **-** | - | **(4)** | (7) | (6) | (9) |
| Recoverable Taxes | 212 | 33 | **13** | 1,030 | 721 | 84 |
| Fair Value Bartira | 355 | 304 | **416** | 355 | 304 | 416 |
| Deferred Income Tax and Social Contribution | 426 | 442 | **415** | 1,185 | 1,211 | 1,180 |
| Amounts Receivable from Related Parties | 178 | 248 | **66** | 146 | 152 | 141 |
| Judicial Deposits | 730 | 652 | **471** | 899 | 809 | 594 |
| Expenses in Advance and Others | 92 | 116 | **16** | 123 | 153 | 34 |
| Investments | 176 | 161 | **144** | 269 | 258 | 232 |
| Property and Equipment | 6,617 | 6,523 | **6,169** | 7,554 | 7,436 | 6,981 |
| Intangible Assets | 4,920 | 4,873 | **4,706** | 5,032 | 4,977 | 4,855 |
| **TOTAL ASSETS** | 23,297 | **21,966** | **20,092** | **33,955** | **32,030** | **30,423** |

| **LIABILITIES** | | | | | | |
|---|---|---|---|---|---|---|
| | **GPA Food** | | | **GPA Consolidated** | | |
| | **06.30.2012** | **03.31.2012** | **06.30.2011** | **06.30.2012** | **03.31.2012** | **06.30.2011** |
| **Current Liabilities** | **6,149** | **6,636** | **4,279** | **11,297** | **11,445** | **9,962** |
| Suppliers | **2,533** | 2,744 | **2,225** | 4,570 | 4,716 | 4,475 |
| Loans and Financing | **1,406** | 1,859 | **488** | 1,581 | 1,915 | 1,261 |
| Payment Book (CDCI) | **-** | - | **-** | 2,227 | 2,211 | 1,948 |
| Debentures | **679** | 523 | **278** | 792 | 527 | 278 |
| Payroll and Related Charges | **372** | 321 | **319** | 837 | 712 | 645 |
| Taxes and Social Contribution Payable | **81** | 82 | **61** | 180 | 199 | 300 |
| Dividends Proposed | **1** | 103 | **2** | 1 | 103 | 2 |
| Financing for Purchase of Fixed Assets | **14** | 14 | **14** | 14 | 14 | 14 |
| Rents | **44** | 42 | **44** | 44 | 42 | 44 |
| Acquisition of Companies | **58** | 56 | **68** | 58 | 56 | 68 |
| Debt with Related Parties | **522** | 513 | **499** | 52 | 88 | 13 |
| Advertisement | **40** | 38 | **34** | 85 | 88 | 34 |
| Provision for Restructuring | **9** | 12 | **6** | 9 | 12 | 6 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Tax Payments | **166** | 91 | **41** | 169 | 94 | 45 |
| Advanced Revenue | **8** | 13 | **-** | 77 | 79 | 85 |
| Others | **217** | 223 | **200** | 601 | 587 | 743 |
| **Long-Term Liabilities** | **9,338** | **7,755** | **8,577** | **12,151** | **10,320** | **10,685** |
| Loans and Financing | **1,754** | 1,302 | **2,512** | 1,844 | 1,529 | 2,666 |
| Payment Book (CDCI) | **-** | - | **-** | 116 | 112 | 114 |
| Receivables Fund (FIDC) | **1,194** | 1,167 | **1,163** | 2,437 | 2,383 | 2,417 |
| Debentures | **3,012** | 1,896 | **1,488** | 3,814 | 2,298 | 1,488 |
| Acquisition of Companies | **199** | 194 | **227** | 199 | 194 | 227 |
| Deferred Income Tax and Social Contribution | **1,104** | 1,107 | **1,102** | 1,104 | 1,107 | 1,102 |
| Tax Installments | **1,201** | 1,260 | **1,443** | 1,244 | 1,302 | 1,488 |
| Provision for Contingencies | **552** | 537 | **414** | 721 | 701 | 515 |
| Advanced Revenue | **23** | - | **-** | 375 | 368 | 407 |
| Others | **298** | 291 | **228** | 298 | 326 | 261 |
| | | | | | | |
| **Shareholders' Equity** | **7,810** | **7,575** | **7,236** | **10,507** | **10,265** | **9,776** |
| Capital | **5,278** | 4,708 | **4,778** | 6,702 | 6,130 | 6,118 |
| Capital Reserves | **202** | 392 | **370** | 202 | 392 | 370 |
| Profit Reserves | **1,147** | 1,279 | **839** | 1,147 | 1,279 | 839 |
| Minority Interest | **1,183** | 1,196 | **1,249** | 2,456 | 2,465 | 2,449 |
| **TOTAL LIABILITIES** | **23,297** | **21,966** | **20,092** | **33,955** | **32,030** | **30,423** |

| | INCOME STATEMENT (ex-real estate projects) | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | GPA Food | | | GPA Food | | | | | | GPA Consolidate | | |
| | | | | Retail | | | Cash and Carry | | | | | |
| **R$ - Million** | **2Q12** | **2Q11** | **Δ** | **2Q12** | **2Q11** | **Δ** | **2Q12** | **2Q11** | **Δ** | **2Q12** | **2Q11** | |
| **Gross Sales Revenue** | **7,339** | **6,928** | **5.9%** | **6,196** | **5,900** | **5.0%** | **1,142** | **1,028** | **11.1%** | **13,414** | **12,605** | **6** |
| **Net Sales Revenue** | 6,621 | 6,229 | 6.3% | 5,579 | 5,296 | 5.3% | 1,043 | 933 | 11.7% | 11,939 | 11,270 | |
| **Cost of Goods Sold** | (4,918) | (4,660) | 5.6% | (4,028) | (3,842) | 4.9% | (890) | (818) | 8.8% | (8,797) | (8,282) | |
| **Gross Profit** | **1,703** | **1,569** | **8.5%** | **1,550** | **1,454** | **6.6%** | **153** | **115** | **32.5%** | **3,142** | **2,987** | **5** |
| Selling Expenses | (1,049) | (988) | 6.2% | (947) | (892) | 6.1% | (102) | (96) | 6.6% | (2,039) | (1,922) | |
| General and Administrative Expenses | (175) | (162) | 8.2% | (165) | (156) | 5.4% | (10) | (5) | 88.5% | (411) | (424) | |
| **Total Operating Expenses** | (1,224) | (1,150) | 6.5% | (1,112) | (1,048) | 6.0% | (113) | (102) | 11.0% | (2,450) | (2,346) | |
| **Earnings before Interest, Taxes, Depreciation, Amortization - EBITDA** | **479** | **419** | **14.2%** | 439 | 406 | **8.2%** | 40 | 14 | **192.3%** | 692 | 641 | **7** |
| Depreciation and Amortization | (156) | (116) | 34.0% | (145) | (109) | 32.7% | (11) | (7) | 54.8% | (189) | (150) | |
| **Earnings before interest and Taxes - EBIT** | **323** | **303** | **6.6%** | **294** | **296** | **-0.8%** | **29** | **7** | **336.5%** | **503** | **491** | **2** |
| Financial Revenue | 123 | 102 | 19.9% | 119 | 101 | 18.1% | 3 | 1 | 154.9% | 151 | 139 | |
| Financial Expenses | (244) | (269) | -9.3% | (229) | (251) | -9.0% | (15) | (17) | -12.7% | (436) | (475) | |
| **Net Financial Revenue** | (121) | (166) | -27.2% | (109) | (150) | -27.3% | (12) | (16) | -26.5% | (285) | (336) | |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **(Expenses)** | | | | | | | | | | | | |
| **Equity Income** | (2) | (1) | 111.9% | (2) | (1) | 111.9% | - | - | 0.0% | (3) | 3 | |
| **Result from Permanent Assets** | (14) | 1 | - | (15) | (1) | - | 1 | 2 | -59.4% | (10) | 1 | |
| **Nonrecurring Result** | - | (49) | - | - | (49) | - | - | - | - | - | (49) | |
| **Other Operating Revenue (Expenses)** | 23 | 6 | 294.2% | 23 | 6 | 294.2% | - | - | - | 16 | (15) | |
| **Income Before Income Tax** | **208** | **93** | **124.8%** | **190** | **100** | **90.3%** | **18** | **(7)** | **0.0%** | **222** | **95** | **134** |
| **Income Tax** | (64) | (1) | 6273.3% | (65) | (3) | 1992.4% | 1 | 2 | -65.6% | (73) | (9) | 746 |
| **Minority Interest - Noncontrolling** | 13 | 2 | 709.6% | 13 | 2 | 709.6% | - | - | 0.0% | 9 | 5 | 90 |
| **Net Income - Controlling Shareholders** [(1)] | **157** | **93** | **68.6%** | **138** | **98** | **40.6%** | **19** | **(5)** | **0.0%** | **159** | **91** | **74** |
| **Net Income per Share** | | | | | | | | | | 0.60 | 0.35 | |
| **Nº of shares (million) ex-treasury shares** | | | | | | | | | | 263 | 257 | |

| **% Net Sales Revenue** | **GPA Food** | | **GPA Food** | | | | **GPA Consolidated** | |
|---|---|---|---|---|---|---|---|---|
| | | | **Reatil** | | **Cash and Carry** | | | |
| | **2Q12** | **2Q11** | **2Q12** | **2Q11** | **2Q12** | **2Q11** | **2Q12** | **2Q11** |
| **Gross Profit** | 25.7% | 25.2% | 27.8% | 27.5% | 14.6% | 12.3% | 26.3% | 26.5% |
| Selling Expenses | 15.8% | 15.9% | 17.0% | 16.8% | 9.8% | 10.3% | 17.1% | 17.1% |
| General and Administrative Expenses | 2.6% | 2.6% | 3.0% | 3.0% | 1.0% | 0.6% | 3.4% | 3.8% |
| **Total Operating Expenses** | 18.5% | 18.5% | 19.9% | 19.8% | 10.8% | 10.9% | 20.5% | 20.8% |
| **EBITDA** | 7.2% | 6.7% | 7.9% | 7.7% | 3.8% | 1.5% | 5.8% | 5.7% |
| **Depreciation and Amortization** | 2.4% | 1.9% | 2.6% | 2.1% | 1.0% | 0.7% | 1.6% | 1.3% |
| **EBIT** | 4.9% | 4.9% | 5.3% | 5.6% | 2.8% | 0.7% | 4.2% | 4.4% |
| **Net Financial Revenue** | 1.8% | 2.7% | 2.0% | 2.8% | 1.1% | 1.7% | 2.4% | 3.0% |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **(Expenses)** | | | | | | | | |
| **Result from Permanent Assets and Others** | 0.1% | 0.7% | 0.1% | 0.8% | -0.1% | -0.2% | -0.1% | 0.6% |
| **Income Before Income Tax** | 3.1% | 1.5% | 3.4% | 1.9% | 1.7% | 0.8% | 1.9% | 0.8% |
| **Income Tax** | 1.0% | 0.0% | 1.2% | 0.1% | 0.1% | 0.2% | 0.6% | 0.1% |
| **Minority Interest - noncontrolling** | 0.2% | 0.0% | 0.2% | 0.0% | 0.0% | 0.0% | 0.1% | 0.0% |
| **Net Income - Controlling Shareholders** [(1)] | 2.4% | 1.5% | 2.5% | 1.9% | 1.8% | -0.6% | 1.3% | 0.8% |

(1) Net Income after noncontrolling shareholders

| | INCOME STATEMENT (ex-real estate projects) | | | | | | | | | | IN |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | GPA Food | | | GPA Consolidated | | | | | | GPA Food IFRS | |
| **R$ - Million** | **1H12** | **1H11** | **Δ%** | **2Q12** | **2Q11** | **Δ%** | **1H12** | **1H11** | **Δ%** | **1H12** | **1H11** |
| **Gross Sales Revenue** | **14,709** | **13,569** | **8.4%** | **13,414** | **12,605** | **6.4%** | **27,073** | **24,978** | **8.4%** | **14,808** | **13,569** |
| **Net Sales Revenue** | 13,278 | 12,213 | 8.7% | 11,939 | 11,270 | 5.9% | 24,087 | 22,139 | 8.8% | 13,376 | 12,213 |
| **Cost of Goods Sold** | (9,849) | (9,107) | 8.1% | (8,797) | (8,282) | 6.2% | (17,688) | (16,303) | 8.5% | (9,849) | (9,107) |
| **Gross Profit** | **3,429** | **3,106** | **10.4%** | **3,142** | **2,987** | **5.2%** | **6,398** | **5,836** | **9.6%** | **3,527** | **3,106** |
| Selling Expenses | (2,086) | (1,926) | 8.3% | (2,039) | (1,922) | 6.1% | (4,098) | (3,803) | 7.8% | (2,086) | (1,926) |
| General and Administrative Expenses | (365) | (339) | 7.7% | (411) | (424) | -3.0% | (845) | (809) | 4.4% | (374) | (339) |
| **Total Operating Expenses** | (2,451) | (2,265) | 8.2% | (2,450) | (2,346) | 4.4% | (4,942) | (4,612) | 7.2% | (2,460) | (2,265) |
| **Earnings before Interest, Taxes, Depreciation, Amortization - EBITDA** | **978** | **841** | 16.2% | **692** | **641** | 7.9% | **1,456** | **1,224** | 19.0% | **1,067** | **841** |
| Depreciation and Amortization | (303) | (241) | 25.6% | (189) | (150) | 25.7% | (375) | (308) | 21.7% | (303) | (241) |
| **Earnings before interest and Taxes - EBIT** | **675** | **600** | **12.5%** | **503** | **491** | **2.5%** | **1,081** | **916** | **18.0%** | **764** | **600** |
| Financial Revenue | 228 | 195 | 17.4% | 151 | 139 | 8.5% | 296 | 272 | 8.8% | 229 | 195 |
| Financial Expenses | (492) | (523) | -5.8% | (436) | (475) | -8.2% | (917) | (934) | -1.8% | (492) | (523) |
| **Net Financial Revenue (Expenses)** | (264) | (328) | -19.6% | (285) | (336) | -15.2% | (621) | (662) | -6.2% | (263) | (328) |
| **Equity Income** | 2 | 6 | (0.68) | (3) | 3 | - | 2 | 13 | (0.83) | 2 | 6 |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Result from Permanent Assets** | (24) | 1 | - | (10) | 1 | - | (3) | 1 | - | (24) | 1 | |
| **Nonrecurring Result** | - | (49) | - | - | (49) | - | - | (49) | - | - | (49) | |
| **Other Operating Revenue (Expenses)** | 23 | 0 | - | 16 | (15) | - | 15 | (27) | - | 23 | 0 | |
| **Income Before Income Tax** | **412** | **231** | **78.7%** | **222** | **95** | **134.6%** | **474** | **192** | **146.7%** | **502** | **231** | **1** |
| **Income Tax** | (115) | (3) | 0.0% | (73) | (9) | 746.8% | (156) | 5 | - | (115) | (3) | |
| **Minority Interest - Noncontrolling** | 27 | 12 | 134.9% | 9 | 5 | 90.6% | 14 | 26 | -47.9% | 27 | 12 | 1 |
| **Net Income - Controlling Shareholders (1)** | **325** | **239** | **35.9%** | **159** | **91** | **74.5%** | **331** | **223** | **48.3%** | 414 | 239 | |
| **Net Income per Share** | | | | 0.60 | 0.35 | 70.7% | 1.26 | 0.87 | 0.0% | | | |
| **Nº of shares (million) ex-treasury shares** | | | | 263 | 257 | | 263 | 257 | | | | |

| **% Net Sales Revenue** | **GPA Food** | | **GPA Consolidated** | | | | **GPA Food IFRS** | |
|---|---|---|---|---|---|---|---|---|
| | **1H12** | **1H11** | **2Q12** | **2Q11** | **1H12** | **1H11** | **1H12** | **1H11** |
| **Gross Profit** | 25.8% | 25.4% | 26.3% | 26.5% | 26.6% | 26.4% | 26.4% | 25.4% |
| Selling Expenses | 15.7% | 15.8% | 17.1% | 17.1% | 17.0% | 17.2% | 15.6% | 15.8% |
| General and Administrative Expenses | 2.7% | 2.8% | 3.4% | 3.8% | 3.5% | 3.7% | 2.8% | 2.8% |
| **Total Operating Expenses** | 18.5% | 18.5% | 20.5% | 20.8% | 20.5% | 20.8% | 18.4% | 18.5% |
| **EBITDA** | 7.4% | 6.9% | 5.8% | 5.7% | 6.0% | 5.5% | 8.0% | 6.9% |
| **Depreciation and Amortization** | 2.3% | 2.0% | 1.6% | 1.3% | 1.6% | 1.4% | 2.3% | 2.0% |
| **EBIT** | 5.1% | 4.9% | 4.2% | 4.4% | 4.5% | 4.1% | 5.7% | 4.9% |
| **Net Financial Revenue (Expenses)** | 2.0% | 2.7% | 2.4% | 3.0% | 2.6% | 3.0% | 2.0% | 2.7% |
| **Result from Permanent** | 0.0% | -0.4% | -0.1% | -0.6% | 0.0% | -0.3% | 0.0% | -0.4% |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Assets and Others** | | | | | | | | |
| **Income Before Income Tax** | 3.1% | 1.9% | 1.9% | 0.8% | 2.0% | 0.9% | 3.8% | 1.9% |
| **Income Tax** | 0.9% | 0.0% | 0.6% | 0.1% | 0.6% | 0.0% | 0.9% | 0.0% |
| **Minority Interest - noncontrolling** | 0.2% | -0.1% | 0.1% | 0.0% | 0.1% | -0.1% | 0.2% | -0.1% |
| **Net Income - Controlling Shareholders** [(1)] | 2.4% | 2.0% | 1.3% | 0.8% | 1.4% | 1.0% | 3.1% | 2.0% |

(1) Net Income after noncontrolling shareholders

| Statement of Cash Flow | | |
|---|---|---|
| (R$ million) | GPA Consolidated | |
| | **06.30.2012** | **06.30.2011** |
| **Net Income for the period** | 407 | 197 |
| Adjustment for Reconciliation of Net Income | - | - |
| Deferred Income Tax | 53 | (41) |
| Income of Permanent Assets Written-Off | 3 | (29) |
| Depreciation and Amortization | 392 | 308 |
| Interests and Exchange Variation | 563 | 250 |
| Net profit/loss on shareholder interest | (24) | - |
| Adjustment to Present Value | (1) | (12) |
| Equity Income | (2) | (13) |
| Provision for Contingencies | 67 | 62 |
| Provision for low and losses of fixed assets | (0) | 36 |
| Share-Based Compensation | 19 | 13 |
| Allowance for Doubtful Accounts | 195 | 91 |
| Swap revenue | (97) | - |
| | **1,575** | **863** |
| **Asset (Increase) Decreases** | | |
| Accounts Receivable | 299 | (863) |
| Inventories | 545 | (2) |
| Taxes recoverable | (215) | (444) |
| Financial Instrument - Rede Duque | (51) | - |
| Other Assets | (82) | 293 |
| Marketable Securities | - | 659 |
| Related Parties | (59) | (203) |
| Judicial Deposits | (96) | (87) |
| | **340** | **(648)** |
| **Liability (Increase) Decrease** | | |
| Suppliers | (1,653) | (831) |
| Payroll and Charges | 78 | 56 |
| Taxes and contributions | (200) | 382 |
| Other Accounts Payable | (79) | (132) |
| | **(1,854)** | **(526)** |
| **Net Cash Generated from (Used in) Operating Activities** | **61** | **(310)** |
| **Cash Flow from Investment and Financing Activities** | | |

| (R$ million) | GPA Consolidated 06.30.2012 | 06.30.2011 |
|---|---|---|
| Net cash from acquisitions | 0 | - |
| Acquisition of Companies | 3 | - |
| Capital Increase in Subsidiaries | 0 | - |
| Acquisition of Property and Equipment | (557) | (532) |
| Increase of Intangible Asset | (30) | (82) |
| Sale of Property and Equipment | 37 | 29 |
| **Net Cash Generated from (used in) Investment Activities** | **(547)** | **(584)** |
| | | |
| **Cash Flow from Financing Activities** | | |
| Increase (Decrease) of Capital | 13 | 12 |
| Increase in Minority Interest | - | - |
| Financiamentos | - | - |
| Funding and Refinancing | 4,570 | 4,010 |
| Payments | (3,326) | (2,394) |
| Interest Paid | (136) | (451) |
| Dividend Payments | (131) | (137) |
| **Net Cash Generated from (used in) Financing Activities** | **990** | **1,040** |
| Cash and Cash Equivalents at the Beginning of the Year | 4,970 | 3,818 |
| Cash and Cash Equivalents at the End of the Year | 5,473 | 3,963 |
| **Change in Cash and Cash Equivalent** | **503** | **145** |

| | Breakdown of Gross Sales by Format (ex-real estate projects) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| (R$ million) | 2Q12 | % | 2Q11 | % | Δ | 1H12 | % | 1H11 | % | Δ |
| Pão de Açúcar | 1,374 | 10.2% | 1,286 | 10.2% | 6.8% | 2,722 | 10.1% | 2,498 | 10.0% | 9.0% |
| Extra Hiper [1] | 3,368 | 25.1% | 3,068 | 24.3% | 9.8% | 6,779 | 25.0% | 6,026 | 24.1% | 12.5% |
| Extra Supermercado | 1,084 | 8.1% | 1,177 | 9.3% | -7.9% | 2,228 | 8.2% | 2,409 | 9.6% | -7.5% |
| Assaí | 1,142 | 8.5% | 1,028 | 8.2% | 11.1% | 2,273 | 8.4% | 1,939 | 7.8% | 17.3% |
| Others Business [2] | 371 | 2.8% | 369 | 2.9% | 0.5% | 708 | 2.6% | 697 | 2.8% | 1.6% |
| **GPA Food** | 7,339 | 54.7% | 6,928 | 55.0% | 5.9% | 14,709 | 54.3% | 13,569 | 54.3% | 8.4% |
| Viavarejo [3] | 6,075 | 45.3% | 5,676 | 45.0% | 7.0% | 12,364 | 45.7% | 11,409 | 45.7% | 8.4% |
| **GPA Consolidated** | 13,414 | 100.0% | 12,605 | 100.0% | 6.4% | 27,074 | 100.0% | 24,978 | 100.0% | 8.4% |

| | Breakdown of Net Sales by Format (ex-real estate projects) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| (R$ million) | 2Q12 | % | 2Q11 | % | Δ | 1H12 | % | 1H11 | % | Δ |
| Pão de Açúcar | 1,232 | 10.3% | 1,152 | 10.2% | 6.9% | 2,445 | 10.2% | 2,243 | 10.1% | 9.0% |
| Extra Hiper [1] | 2,992 | 25.1% | 2,716 | 24.1% | 10.2% | 6,023 | 25.0% | 5,339 | 24.1% | 12.8% |
| Extra Supermercado | 988 | 8.3% | 1,064 | 9.4% | -7.2% | 2,031 | 8.4% | 2,183 | 9.9% | -7.0% |
| Assaí | 1,043 | 8.7% | 933 | 8.3% | 11.7% | 2,078 | 8.6% | 1,760 | 7.9% | 18.1% |
| Others Business [2] | 366 | 3.1% | 363 | 3.2% | 0.9% | 701 | 2.9% | 688 | 3.1% | 2.0% |
| **GPA Food** | 6,621 | 55.5% | 6,229 | 55.3% | 6.3% | 13,278 | 55.1% | 12,213 | 55.2% | 8.7% |
| Viavarejo [3] | 5,318 | 44.5% | 5,041 | 44.7% | 5.5% | 10,809 | 44.9% | 9,925 | 44.8% | 8.9% |
| **GPA Consolidated** | 11,938 | 100.0% | 11,270 | 100.0% | 5.9% | 24,087 | 100.0% | 22,138 | 100.0% | 8.8% |

(1) Includes M inimercado Extra sales.

(2) Includes Gas Station and Drugstores sales.

(3) Includes Ponto Frio, Nova Casas Bahia and Nova Pontocom sales.

| Sales Breakdown (% of Net Sales ex-real estate projects) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | GPA Food | | | | | GPA Consolidated | | | |
| | 2Q12 | 2Q11 | | 1H12 | 1H11 | 2Q12 | 2Q11 | 1H12 | 1H11 |
| **Cash** | 52.8% | 51.9% | | 53.0% | 52.6% | 40.0% | 40.3% | 37.7% | 41.1% |
| **Credit Card** | 39.8% | 40.4% | | 39.5% | 39.7% | 49.2% | 48.3% | 45.9% | 47.6% |
| **Food Voucher** | 7.3% | 7.4% | | 7.3% | 7.5% | 4.0% | 4.1% | 3.7% | 4.5% |
| **Credit** | 0.1% | 0.2% | | 0.1% | 0.2% | 6.9% | 7.3% | 6.4% | 6.8% |
| Post-Dated Checks | 0.1% | 0.2% | | 0.1% | 0.2% | 0.1% | 0.1% | 0.1% | 0.1% |
| Payment Book | 0.0% | 0.0% | | 0.0% | 0.0% | 6.8% | 7.1% | 6.3% | 6.7% |

| | Stores Openings/Closings per Format | | | |
|---|---|---|---|---|
| | **03/31/2012** | **Opened** | **Closed** | **06/30/2012** |
| Pão de Açúcar | 158 | 1 | | 159 |
| Extra Hiper | 133 | 1 | | 134 |
| Extra Supermercado | 204 | | | 204 |
| Minimercado Extra | 71 | 1 | -3 | 69 |
| Assaí | 60 | | -1 | 59 |
| Ponto Frio | 400 | 3 | | 403 |
| Casas Bahia | 544 | 3 | | 547 |
| Other Business | 232 | 5 | -1 | 236 |
| Gas Satation | 78 | | | 78 |
| Drugstores | 154 | 5 | -1 | 158 |
| **GPA Consolidated** | **1,802** | **14** | **-5** | **1,811** |
| **Sale Area ('000 $m^2$ )** | **2,830** | | | **2,837** |
| **# of employees ('000)** | **149** | | | **149** |

**2Q12 Results Conference Call and Webcast**

Tuesday, July 24, 2012

11:00 a.m. (Brasília time) | 10:00 a.m. (New York) | 3:00 p.m. (London)

**Portuguese Conference Call (original language)**

+55 (11) 3127-4971

**English Conference Call (simultaneous interpreting)**

+1 (516) 300-1066

Webcast: http://www.gpari.com.br

**Replay**

+55 (11) 3127-4999

Code for audio in Portuguese: 80024592

Code for audio in English: 29581300

http://www.gpari.com.br

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imprensa@grupopaodeacucar.com.br

**Media Relations - Viavarejo**

Phone: (11) 4225-9228

imprensa@viavarejo.com.br

**Casa do Cliente – Customer Service**

Pão de Açúcar: 0800-7732732 / Extra: 0800-115060

Ponto Frio: (11) 4002-3388/Casas Bahia:(11) 3003-8889

**Social Media News Room**

http://imprensa.grupopaodeacucar.com.br/category/gpa/

**Twitter – Media**

@imprensagpa

"The financial information contained in the financial statements are presented in accordance with accounting practices adopted in Brazil and refer to the second quarter of 2012 (2Q12), except where otherwise noted, with comparisons made over the same period last year."

"Any and all information derived from non-accounting or not accounting numbers has not been reviewed by independent auditors."

"For the calculation of " EBITDA" Earnings Before Interest, Taxes, Depreciation and Amortization, According to the table on page 6.

The basis for calculating same-store sales is defined by the sales registered in stores open for at least 12 consecutive months and were not closed for 7 consecutive days or more in this period. Acquisitions are not included in the same-store calculation base in the first 12 months of operation.

Grupo Pão de Açúcar adopts the IPCA consumer price index as its benchmark inflation index, which is also used by the Brazilian Supermarkets Association (ABRAS), since it more accurately reflects the mix of products and brands sold by the Company. The IPCA in the 12 months ended June 2012 was 4.92%

**About Grupo Pão de Açúcar and Viavarejo:** Grupo Pão de Açúcar is Brazil's largest retailer, with a distribution network comprising approximately 1,810 points of sale and electronic channels. The Group's multiformat structure consists of GPA Food and Viavarejo.GPA Food's operations comprise supermarkets (Pão de Açúcar and Extra Supermercado), hypermarkets (Extra), neighborhood stores (Minimercado Extra), cash-and-carry stores (Assaí), gas stations and drugstores.GPA Food's business is classified as Food and Non-Food (electronics/home appliances, clothing, general merchandise, drugstore and gas stations).Viavarejo's operations consist of bricks-and-mortar stores selling electronics/home appliances and furniture (Ponto Frio and Casas Bahia) and online stores (Nova Pontocom: Extra.com.br, PontoFrio.com.br, Casasbahia.com.br).Founded in 1948 in São Paulo, the Group is present in 20 of the 27 Brazilian states, which jointly account for 94.1% of the country's GDP.

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

**SIGNATURES**

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

COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Date: July 24, 2012

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

By: /s/ Vitor Fagá de Almeida
Name: Vitor Fagá de Almeida
Title: Investor Relations Officer

**FORWARD-LOOKING STATEMENTS**

This press release may contain forward-looking statements. These statements are statements that are not historical facts, and are based on management's current view and estimates offuture economic circumstances, industry conditions, company performance and financial results. The words "anticipates", "believes", "estimates", "expects", "plans" and similar expressions, as they relate to the company, are intended to identify forward-looking statements. Statements regarding the declaration or payment of dividends, the implementation of principal operating and financing strategies and capital expenditure plans, the direction of future operations and the factors or trends affecting financial condition, liquidity or results of operations are examples of forward-looking statements. Such statements reflect the current views of management and are subject to a number of risks and uncertainties. There is no guarantee that the expected events, trends or results will actually occur. The statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, and operating factors. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations.