

BRAZILIAN DISTRIBUTION CO COMPANHIA BRASILEIRA DE DISTR CBD

Form 6-K

December 07, 2015

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## FORM 6-K

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

### Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16 of  
the Securities Exchange Act of 1934

For the month of December, 2015

Brazilian Distribution Company  
(Translation of Registrant's Name Into English)

Av. Brigadeiro Luiz Antonio,  
3142 São Paulo, SP 01402-901  
Brazil  
(Address of Principal Executive Offices)

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

Form 20-F  Form 40-F

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

Yes  No

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

Yes  No

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

Yes  No

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NOVA PONTOCOM COMÉRCIO ELETRÔNICO S.A.,  
VIA VAREJO S.A.,  
COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO,

QE PARTICIPAÇÕES LTDA.

and

CAMBERRA PARTICIPAÇÕES LTDA.

**PROTOCOL AND JUSTIFICATION OF TOTAL SPIN-OFF OF NOVA PONTOCOM COMÉRCIO  
ELETRÔNICO S.A.**

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**PROTOCOL AND JUSTIFICATION OF TOTAL SPIN-OFF OF NOVA PONTOCOM COMÉRCIO  
ELETRÔNICO S.A.**

By this private instrument:

(1) **NOVA PONTOCOM COMÉRCIO ELETRÔNICO S.A.**, a closed corporation (*sociedade por ações fechada*) headquartered in the city of São Paulo, State of São Paulo, at Rua Gomes de Carvalho, nº 1.609, 3º ao 7º andares, zip code 04547-006, enrolled with the Brazilian Corporate Taxpayers' Registry of the Ministry of Finance ("**CNPJ/MF**") under No. 09.358.108/0001-25, and with the Board of Trade of the State of São Paulo ("**JUCESP**") under NIRE 35.300.386.540, hereby represented pursuant to its By-laws ("**Nova Pontocom**");

(2) **VIA VAREJO S.A.**, a publicly-held corporation (*sociedade por ações aberta*) headquartered in the city of São Caetano do Sul, State of São Paulo, at Rua João Pessoa, nº 83, Centro, zip code 09520-010, enrolled with CNPJ/MF under No. 33.041.260/0652-90 and with JUCESP under NIRE 35.300.394.925, hereby represented pursuant to its By-laws ("**Via Varejo**");

(3) **COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO**, a publicly-held corporation (*sociedade por ações aberta*) headquartered in the city of São Paulo, State of São Paulo, at Av. Brigadeiro Luis Antônio, nº 3.142, zip code 01402-901, enrolled with CNPJ/MF under No. 47.508.411/0001-56 and with JUCESP under NIRE 35.300.089.901, hereby represented pursuant to its By-laws ("**CBD**");

(4) **QE PARTICIPAÇÕES LTDA.**, a limited liability company under incorporation, headquartered in the city of São Paulo, State of São Paulo, at Rua das Açucenas, nº 206, Cidade Jardim, CEP 05673-040 (parte), hereby represented pursuant to its Articles of Association ("**QE Participações**"); and

(5) **CAMBERRA PARTICIPAÇÕES LTDA.**, a limited liability company under incorporation, headquartered in the city of São Paulo, State of São Paulo, hereby represented pursuant to its Articles of Association ("**Camberra Participações**") and jointly referred to with Nova Pontocom, Via Varejo, CBD and QE Participações as "**Parties**" and, individually, as "**Party**".

**THE PARTIES DECIDE**, in compliance with the provisions set forth in Articles 224, 225, 227 and 229 of Law No. 6,404, dated December 15, 1976, as amended ("**Brazilian Corporate Law**"), to enter into this Protocol and Justification of Total Spin-off ("**Protocol**"), which shall regulate the terms and conditions applicable to the total spin-off of Nova Pontocom followed by absorption of the respective spin-off assets, as indicated below, by Via Varejo, CBD, QE Participações and Camberra Participações ("**Receiving Companies**" and "**Spin-off**", respectively), subject to the approvals referred to in Clause 4.2 below.

## 1 Purpose

The purpose of the Protocol is to establish the basis of the non-proportional Spin-off, upon subsequent transfer to each Receiving Companies of a portion of assets of Nova Pontocom proportionally to their interests in the net equity of Nova Pontocom, as provided for in Article 229, paragraph 3 and Article 229, paragraph 5, part two, of the Brazilian Corporate Law and pursuant to the spin-off provided for in the Shareholders' Agreement of Nova Pontocom, entered into on 23 July, 2014 among all shareholders of Nova Pontocom, provided that the spin-off assets allocated to the merger will be transferred to the Receiving Companies, which will be resolved on by the board of directors and the shareholders of Nova Pontocom, the shareholders of Via Varejo and CBD and the shareholders of QE Participações and Camberra Participações.

**2 Justification and interest of the Parties to perform the Spin-off**

Management of Nova Pontocom and of the Receiving Companies understand that, if approved, the Spin-off will result in the transfer to, and the consequent absorption by, the Receiving Companies, of all assets and liabilities of Nova Pontocom, which will result in capital and financial nature benefits to the Parties and will optimize the corporate structure of the group to which they belong by enabling each of the Parties to have greater autonomy and flexibility to manage their investments.

### **3 Appraisal of Spin-off Assets**

**3.1 Spin-off Assets.** As a result of the Spin-off, the total net equity of Nova Pontocom, comprised by the assets and liabilities described in the Report (as defined below), will be transferred to and received by the Receiving Companies, provided that:

- (i) the assets and liabilities of Via Varejo, equivalent to 43.900% of total amount of Spin-off Assets, are listed in Exhibit 4 attached to the Report (“**Via Varejo Spin-off Assets**”);
- (ii) the assets and liabilities da CBD, equivalent to 53.203% of total amount of Spin-off Assets, are listed in Exhibit 4 attached to the Report (“**CBD Spin-off Assets**”);
- (iii) the assets and liabilities da QE Participações, equivalent to 2.723% of total amount of Spin-off Assets, are listed in Exhibit 4 attached to the Report (“**QE Participações Spin-off Assets**”); and
- (iv) the assets and liabilities da Camberra Participações, equivalent to 0.174% of total amount of Spin-off Assets, are listed in Exhibit 4 attached to the Report (“**Camberra Participações Spin-off Assets**” and, jointly with QE Participações Spin-off Assets, Via Varejo Spin-off Assets and CBD Spin-off Assets, the “**Spin-off Assets**”).

**3.2 Appraisal.** The Parties agree that, pursuant to the appraisal report provided for in **Exhibit 3.2** attached hereto (“**Report**”), the book value of each of the Spin-off Assets was appraised by **MAGALHÃES ANDRADE S/S AUDITORES INDEPENDENTES**, enrolled with the Regional Accounting Council of the State of São Paulo under No. 2SP000233/O-3, and with CNPJ/MF under No. 62.657.242/0001-00, headquartered in the city of São Paulo, State of São Paulo, at Av. Brigadeiro Faria Lima, nº 1.893, 6º andar, Jardim Paulistano (“**Appraisal Firm**”), as of the date of reference on September 30, 2015, based on the balance sheet prepared by the management of Nova Pontocom as of the same date and for this specific purpose. Pursuant to the Report, the total book value of Spin-off Assets, to be absorbed by the Receiving Companies, is equivalent to R\$ 10,000.00 (ten thousand reais), of which (i) R\$ 4,389.97 (four thousand, three hundred and eighty nine and ninety seven cents) is equivalent to Via Varejo Spin-off Assets; (ii) R\$ 5,320.34 (five thousand, three hundred and twenty reais and thirty four cents) is equivalent to CBD Spin-off Assets; (iii) R\$ 272.27 (two hundred and seventy two reais and twenty seven cents) is equivalent to QE Participações Spin-off Assets; and (iv) R\$ 17.42 (seventeen reais and forty two cents) is equivalent to Camberra Participações Spin-off Assets.

**3.3 Spin-off Assets.**



(i) Via Varejo Spin-off Assets will be received by Via Varejo in replacement of 26,643,996 (twenty six million, six hundred and forty three Thousand, nine hundred and ninety six) shares issued by Nova Pontocom which are held by Via Varejo;

(ii) CBD Spin-off Assets will be absorbed by CBD in replacement of 32,290,656 (thirty two million, two hundred and ninety thousand, six hundred and fifty six) shares issued by Nova Pontocom which are by CBD;

(iii) QE Participações Spin-off Assets will be absorbed by QE Participações in replacement of 1,652,465 (one million, six hundred and fifty two Thousand, four hundred and sixty five) shares issued by Nova Pontocom which are held by QE Participações; and

(iv) Camberra Participações Spin-off Assets will be absorbed by Camberra Participações in replacement of 105,721 (one hundred and five thousand, seven hundred and twenty one) shares issued by Nova Pontocom which are held by Camberra Participações.

**3.4 Equity variations.** If the proposed Spin-off is approved, the Receiving Companies shall receive and directly record in their respective financial statement potential equity variations resulting from the Spin-off Assets between base date 30 September 2015 and the date of receipt of Spin-off Assets by the Receiving Companies, if any, proportionally to their interests held in the corporate capital of Nova Pontocom.

**3.5 Conflict.** The Appraisal Firm represented not to be directly or indirectly interested in the Parties, or also, in the Spin-off itself, in a way that could prevent or affect the preparation of the Report requested to it, for purposes of the Spin-off.

#### **4 General Spin-off Aspects**

**1.1** If the proposed Spin-off is approved, the Spin-off will be implemented pursuant to the following conditions:

**4.1 Corporate Capital.**

**4.1.1 Current composition.**

(i) The corporate capital of Nova Pontocom, fully subscribed and paid up, amounts to R\$ 50,741,294.71 (fifty million, seven hundred and forty one thousand, two hundred and ninety four and seventy one cents), divided into 60,692,838 (sixty million, six hundred and ninety two Thousand, eight hundred and thirty eight) common, registered shares with no par value, distributed among shareholders as follows:

<b>Shareholder</b>	<b>Common Shares</b>	<b>Interest %</b>
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CBD

32,290,656

53.203

Via Varejo

26,643,996

43.900

QE Participações

1,652,465

2.723

Camberra Participações

105,721

0.174

<b>Total</b>	<b>60,692,838</b>	<b>100.00</b>
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(ii) The corporate capital of Via Varejo, fully subscribed and paid up, amounts to R\$ 2,895,453,338.98 (two billion, eight hundred and ninety five million, four hundred and fifty three thousand, three hundred and thirty eight reais and ninety eight cents), divided into 1,290,885,925 (one billion, two hundred and ninety million, eight hundred and eight five thousand, nine hundred and twenty five) book-entry shares with no par value, (a) 655,869,693 (six hundred and fifty five million, eight hundred and sixty nine thousand, six hundred and ninety three) of which refer to common shares; and (b) 635,016,232 (six hundred and thirty five, sixteen thousand, two hundred and thirty two) of which refer to preferred shares;

(iii) The corporate capital of CBD, fully subscribed and paid up, amounts to R\$ 6,806,089,454.81 (six billion, eight hundred and six million, eighty nine thousand, four hundred and fifty four reais and eighty one cents), divided into 265,699,779 (two hundred and sixty five million, six hundred and ninety nine thousand, seven hundred and seventy nine) book-entry shares with no par value, (a) 99,679,851 (ninety nine million, six hundred and seventy nine, eight hundred and fifty one) of which refer to common shares; and (b) 166.019.928 (one hundred and sixty six million, nineteen thousand, nine hundred and twenty eight) of which refer to preferred shares;

(iv) The corporate capital of QE Participações, fully subscribed and paid up, amounts to R\$ 29,643,342.00 (twenty-nine million, six hundred forty-three thousand, three hundred forty-two reais), divided into 29,643,342 (twenty-nine million, six hundred forty-three thousand, three hundred forty-two) quotas, with par value of R\$ 1.00 (one real) each, distributed among its partners as follows:

Partner	Quotas	Interest %
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German Pasquale Quiroga Vilardo

14,821,671

50.00

Eduardo Khair Chalita

14,821,671

50.00

**Total**

29,643,342

100.00

(v) The corporate capital of Camberra Participações, fully subscribed and paid up, amounts to R\$ 1,007,655.00 (one million, seven thousand, six hundred fifty-five reais), divided into 1,007,655 (one million, seven thousand and six hundred and fifty five) quotas, with par value of R\$ 1.00 (one real) each, distributed among its partners as follows:

<b>Partner</b>	<b>Quotas</b>	<b>Interest %</b>
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Cintia Mendonça

18,586

1.84%

Demetrius Ferreira da Silva

10,617

1.05%

Deni Yuko Higa

86,306

8.56%



Gabriel Chagas Cordeiro

9,293

0.92%

Hilda Luzia Kozlowski

53,108

5.27%

José Ricardo Ficher Tancredi

37,172

3.69%

Julia Barreto Rueff

18,586

1.84%

Lilian Tiemi Takada

37,172

3.69%

Lucas Correia dos Santos

34,512

3.43%

Luciano de Freitas Manolio

37,172

3.69%

Marcel Baldi Jacob

26,544

2.63%



Marcelo Luiz Pagotto Recco

37,172

3.69%

Marcelo Machado Estevão

17,261

1.71%

Marcia Teixeira

18,586

1.84%

Marcio Vianna de Melo

37,172

3.69%

Marco Antonio Andre Provetti

55,758

5.53%

Regis Borghi

185,870

18.45%

Valeria de Almeida Valentim

37,172

3.69%

Vicente Rodrigues de Rezende Filho

185,870

18.45%



Werner Germano Dopheide

63,726

6.32%

<b>Total</b>	<b>1,007,655</b>	<b>100%</b>
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**4.1.2 Spin-off Effects to the Parties.** If approved, the Spin-off:

- (i) will result in the extinction of Nova Pontocom;
- (ii) will not result in the change of the corporate capital of Via Varejo, considering that, as a result of the Spin-off, the investment made by Via Varejo in Nova Pontocom will be cancelled and replaced with the assets and liabilities included in Via Varejo Spin-off Assets;

- (iii) will not result in the change of the corporate capital of CBD, considering that, as a result of the Spin-off, the investment made by CBD in Nova Pontocom will be cancelled and replaced with the assets and liabilities included in CBD Spin-off Assets;
- (iv) will not result in the change of the corporate capital of QE Participações, considering that, as a result of the Spin-off, the investment made by QE Participações in Nova Pontocom will be cancelled and replaced with assets and liabilities included in QE Participações Spin-off Assets;
- (v) will not result in the change of the corporate capital of Camberra Participações, considering that, as a result of the Spin-off, the investment made by Camberra Participações in Nova Pontocom will be cancelled and replaced with assets and liabilities included in Camberra Participações Spin-off Assets;
- (vi) will be carried out based on the total net equity of Nova Pontocom, upon transfer to the Receiving Companies of assets and liabilities proportionally to their interests held in Nova Pontocom;
- (vii) balances of assets and liabilities related to existing agreements between Nova Pontocom and Via Varejo and between Nova Pontocom and CBD, which are described in **Exhibit 4.1.2(vii)** attached hereto, will be liquidated by means of equity merger; and
- (viii) all suits, claims, action and judicial or administrative proceedings of any nature, including, but not limited to, of labor, social security, civil, tax, environmental and commercial nature, related to acts performed or triggering events occurred until the date of Spin-off consummation will be attributed to CBD, which shall, upon succession, plaintiff/defendant in such suits, claims, action and proceedings.

**4.2 Conditions to implement Spin-off.** Spin-off implementation, upon transfer of Spin-off Assets to the Receiving Companies, appointment of Appraisal Firm, Report approval and other terms and conditions set forth herein, were approved (i) by the board of directors of Via Varejo and by the board of directors of CBD, on 18 November 2015; (ii) by the board of directors of Nova Pontocom, on 18 November 2015, and are subject to the approval or ratification, as the case may be, (a) of the shareholders of Nova Pontocom, the shareholders of Via Varejo and the shareholders of CBD; and (b) of the partners of QE Participações and Camberra Participações.

**4.3 Succession of rights and obligations.** In accordance with the provisions of item 4.1.2(viii), the Receiving Companies shall succeed Nova Pontocom in all of its rights and obligations not expressly described herein, proportionally to their respective Spin-off Assets, pursuant to Article 229, paragraph 1, part two, and shall be held jointly liable for Nova Pontocom's obligations, pursuant to Article 233, *caput*, of the Brazilian Corporate Law.

**4.4 Reimbursement amount.** The right of withdrawal is not applied to the shareholders of Nova Pontocom since Spin-off approval depends on consent from all shareholders of Nova Pontocom, that is, all Receiving Companies, pursuant to Article 229, paragraph 5, part two, of the Brazilian Corporate Law

**4.5 Interests in the corporate capital of the Parties.** As of the date hereof, CBD holds 410,352,691 (four hundred and ten million, three hundred and fifty two Thousand, six hundred and ninety one) common shares and 149,168,394 (one hundred and forty nine million, one hundred and sixty eight thousand, three hundred and ninety four) preferred shares issued by Via Varejo, which will not be changed as a result of the Spin-off. As described in item 4.1.2 above, the shares held by CBD, Via Varejo, QE Participações and Camberra Participações in the corporate capital of Nova Pontocom will be cancelled as a result of the



**5 GENERAL PROVISIONS**

**5.1 Severability.** Possible order rendered by any court to cancel or deem any of the covenants set forth herein unenforceable shall not affect the validity or effectiveness of the other covenants set forth herein, which shall be fully complied with, provided that the Parties shall use their best efforts in order to be validly adjusted to obtain the same effects of such cancelled or unenforceable covenant.

**5.2 Entire agreement, exhibits and amendments.** This Protocol and its exhibits constitute the entire understanding and covenants between the managers of the Parties, as applicable, with respect to the matters regulated herein. This Protocol and its exhibits may only be changed or amended through a written instrument signed by all managers of the Parties.

**5.3 Filing.** Upon Spin-off approval by the shareholders of Nova Pontocom, by the shareholders Via Varejo and CBD and by the partners of QE Participações and Camberra Participações, the management of the Receiving Companies shall file and publish all acts related to the Spin-off, pursuant to Article 229, paragraph 4, of the Brazilian Corporate Law.

**5.4 Applicable law.** This Protocol shall be governed by and construed in accordance with the laws of the Federative Republic of Brazil.

**5.5 Recommendation.** In light of the foregoing, including all requirements provided for in Articles 224 and 225 of the Brazilian Corporate Law, the Spin-off is deemed to meet the interests of the Parties and its shareholders, reason by which the implementation thereof is hereby recommended.

IN WITNESS WHEREOF, the Parties execute this Protocol and Justification of Total Spin-off in fifteen (15) counterparts, same in content and form, in the presence of the two (2) undersigned witnesses.

São Paulo, 3 December, 2015.

**NOVA PONTOCOM COMÉRCIO ELETRÔNICO S.A.**

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**Peter Paul Lorenço Estermann**  
Officer

**VIA VAREJO S.A.**

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**Peter Paul Lorenço Estermann**  
Chief Executive Officer

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**Marcelo Lopes**  
Vice-President Officer



**COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO**

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**Ronaldo Iabrudi dos Santos Pereira**  
Chief Executive Officer

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**Christophe José Hidalgo**  
Vice-President and Finance Officer

**QE PARTICIPAÇÕES LTDA.**

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**Eduardo Khair Chalita**  
Manager

**CAMBERRA PARTICIPAÇÕES LTDA.**

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**Regis Borghi**  
Manager

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**Vicente Rodrigues de Rezende Filho**  
Manager

**Witnesses:**

Name:  
ID (RG):  
CPF/MF:

Nome:  
ID (RG):  
CPF/MF:

**EXHIBIT 3.2**  
Appraisal Report of Spin-off Assets

10

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NOVA PONTOCOM COMÉRCIO ELETRÔNICO S.A.

Appraisal Report based on book value for purposes of total spin-off with merger Nov.05.15 1 00 080/15

11

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Dear Shareholders of

NOVA PONTOCOM COMÉRCIO ELETRÔNICO S.A. COMPANY BRASILEIRA DE DISTRIBUIÇÃO

VIA VAREJO S.A.

MAGALHÃES ANDRADE S/S AUDITORES INDEPENDENTES, audit and advisory firm, enrolled with the Regional Accounting Council of the State of São Paulo under n° 2SP000233/O-3 and with the National Corporate Taxpayers' Registry under n° 62.657.242/0001-00, headquartered at Av. Brigadeiro Faria Lima, 1893 - 6° andar, Jardim Paulistano, São Paulo, SP, appointed by you as the appraiser responsible for the appraisal of the net worth of Nova Pontocom Comércio Eletrônico S.A., for purposes of total spin-off and merger of the spun-off portions into the net worth of Companhia Brasileira de Distribuição, Via Varejo S.A., Holding 1 and Holding 2, upon compliance with the necessary diligences and verifications to perform the work, presents the attached

Appraisal Report

In which terms, we subscribe. São Paulo, 5 November 2015

MAGALHÃES ANDRADE S/S

Independent Auditors CRC2SP000233/O-3

[signature]

GUY ALMEIDA ANDRADE

Partner

Accountant CRC1SP116758/O-6

## APPRAISAL REPORT

### INTRODUCTION

1. Grupo Pão de Açúcar is undertaking a reorganization whereby, according to the managements of NOVA PONTOCOM COMÉRCIO ELETRÔNICO S.A. (NOVA PONTOCOM or SPUN-OFF COMPANY) and RECEIVING COMPANIES, COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO (CBD), VIA VAREJO S.A. (VIA VAREJO), HOLDING 1 and HOLDING 2, the Spin-off will trigger the transfer and the subsequent merger of the total assets and liabilities of NOVA PONTOCOM, which will result in equity and financial benefits to the Parties and optimize the corporate structure of the group to which these companies belong, as it allows each of the Parties to have more autonomy and flexibility in the management of their investments.

2. HOLDINGS 1 and 2, which will incorporate a portion of the net assets were in process of incorporation at the time of preparation of this report. Capital stock of the holdings shall be

paid up by shares of NOVA PONTOCOM held by minority shareholders.

3. Accordingly, the purpose of this Report is to determine the value of the net worth at book value to be spun-off, taking into consideration the financial condition of NOVA PONTOCOM as at 30 September 2015.

4. The Report is issued in connection with the audit of the balance sheet of NOVA PONTOCOM prepared for such purpose as at 30 September 2015. The management is responsible for the preparation and appropriate presentation of these financial statements in accordance with accounting practices adopted in Brazil and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, regardless if caused by fraud or error.

5. The appraisal was conducted in accordance with Brazilian and international auditing rules. Such rules require the compliance with ethical rules by the auditors and that the audit is planned and performed with purposes to obtain reasonable assurance that the financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The chosen procedures depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, regardless if caused by fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and appropriate presentation of the financial statements in order to design audit procedures that are adequate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting

estimates made by management, as well as evaluating the overall presentation of the financial statements.

7. We believe that the audit evidence obtained is enough and appropriate to support the opinion.

#### FINANCIAL CONDITION OF NOVA PONTOCOM

8. The assessment is carried out at book value, as set forth in article 226 of Law 6404/76, and based on the financial condition reflected in the Balance Sheet as at 30 September 2015, included as EXHIBIT 1 and whose financial condition of negative equity is broken down as follows:

ASSETS	236,205,960.79
(-) LIABILITIES	<u>250,692,486.65</u>
NEGATIVE EQUITY	(14,486,525.86)

9. Such balance sheet was prepared in accordance with accounting practices adopted in Brazil

and considered, for purposes of assessment, that the company shall continue as a going concern. EXHIBIT 2 describes the main accounting practices and policies adopted by NOVA PONTOCOM.

10. NOVA PONTOCOM maintains its accounting records in a regular manner in own books and the balances are duly recorded and reconciled.

11. In NOVA PONTOCOM's assets there are tax credits arising from accumulated losses, net of the provision for impairment loss of these assets, in the amount of R\$ 4,014,222.34 (four million, fourteen thousand, two hundred and twenty-two and thirty-four cents). As this balance cannot be offset against the RECEIVING COMPANIES' profit, this balance shall be reduced to zero. Such adjustment was adopted in this Report and is described in EXHIBIT 3 hereto.

12. In assets, there is also a credit arising from deferred temporary differences, which shall be adjusted to reflect the benefit that shall be transferred, which reduces the balance by R\$1,375,225.63.

13. On 5 November 2015, management used a portion of the balance of the loan agreements entered with shareholders Companhia Brasileira de Distribuição and Via Varejo to partially offset accumulated losses. This offset is in the amount of R\$ 19,885,973.83 (nineteen million, eight hundred and eighty-five thousand, nine hundred and seventy-three Reais and eighty-three cents), out of which R\$ 10,895,645.22 (ten million, eight hundred and ninety-five thousand, six hundred and forty-five Reais and twenty-two cents) against CBD and R\$ 8,990,328.61 (eight million, nine hundred and ninety thousand, three hundred and twenty-eight Reais and sixty-one cents) against Via Varejo.



14. The SPUN-OFF COMPANY has a current account balance with CBD, in the amount of R\$2,406,046.80 (two million, four hundred and six thousand, forty-six Reais and eighty cents). This balance shall be offset upon merger and shall not impact the RECEIVING COMPANY's net worth.

15. In liabilities, the SPUN-OFF COMPANY has credits arising from loan agreements with CBD, in the total amount of, after the adjustment referred to in paragraph 13, R\$ 88,982,827.52 (eighty-eight million, nine hundred and eighty-two thousand, eight hundred and twenty-seven Reais and fifty-two cents) and with VIA VAREJO, in the total amount of R\$ 74,876,159.77 (seventy-four million, eight hundred and seventy-six thousand, one hundred and fifty-nine Reais and seventy-seven cents). These balances shall be offset upon merger and shall not impact the RECEIVING COMPANIES' net worth.

16. By virtue of the adjustments described in paragraphs 11, 12 and 13, the financial condition of NOVA PONTOCOM, as at 30 September 2015, for purposes of spin-off, is described in EXHIBIT 4 and is summarized as follows:

ASSETS	230,816,512.82
(-) LIABILITIES	<u>230,806,512.82</u>
SHAREHOLDERS' EQUITY	10,000.00

17. The capital stock of NOVA PONTOCOM amounts to R\$ 50,741,294.71 (fifty million, seven hundred and forty-one thousand, two hundred and ninety-four Reais and seventy-one cents) and is divided into 60,692,838 (sixty million, six hundred and ninety-two thousand and eight hundred and thirty-eight) shares, distributed as follows:



18. Based on the restated balance sheet of NOVAPONTOCOM, on the spin-off is based, the equity value of ihares is R\$ 0,000165.

Caption:

*Valor patrimonial das ações* –Equity value of the shares

*Valor do passivo a descoberto* –Value of insufficiency of assets

*Quantidade de ações* - Number of Shares.

EFFECT OF THE SPIN-OFF ON NOVA PONTOCOM

19. As a result of the spin-off, NOVA PONTOCOM shall be extinct, and its net assets shall be absorbed by the