

BRAZILIAN DISTRIBUTION CO COMPANHIA BRASILEIRA DE DISTR CBD

Form 6-K

December 17, 2007

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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, 2007

Brazilian Distribution Company

(Translation of Registrant's Name Into English)

Av. Brigadeiro Luiz Antonio,  
3126 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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## **2007 Performance (Jan- Sept)**

### **Main initiatives**

## **2008 Outlook**

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**Accumulated (9 months) total gross sales totaled R\$ 12.5 billion**

**Highlights same stores sales:**

Pão de Açúcar banner (higher than the other formats for the 4th quarter in a row)

Sales of food products leveraged by the perishables category

Sales of non-food products affected by the video and audio category.

(R\$ million)	<b>9M07</b>	<b>9M06 Pro-forma</b>	<b>chg.</b>
Gross Income	2,981	2,879	3.6%
Gross Margin - %	28.2%	29.0%	-80 bps

**Accumulated gross margin of 28.2%, 80bps  
lower than the pro forma gross margin in the prior year**



(R\$ million)	<b>9M07</b>	<b>9M06</b>	<b>Var.</b>
Exp. w/Sales	1,851.0	1,753.2	5.6%
General and Adm. Exp.	358.9	352.4	1.8%
Operating Exp. (before taxes and rates)	2,209.9	2,105.6	5.0%
<b>% net sales</b>	<b>20.9%</b>	<b>21.2%</b>	-30 bps

### Analysis of Operating Expenses:

Collective union agreement around R\$ 50.0 million

opening of 38 new stores in the last 12 months

Restructuring: R\$ 16,4 million

Strategic projects R\$ 40.1 million



(millions of R\$)	<b>9M07</b>	<b>9M06 Pro forma</b>	<b>Var.</b>
EBITDA (after Taxes and Rates)	701	710	-1.2%
EBITDA Margin (after Taxes and Rates) - %	6.6%	7.1%	-50 bps

**EBITDA margin** of 6.6% in 9M07 as opposed to 7.1% in 9M06 (pro-forma)









**Gross Income** represented 18.7% of the Group's total gross sales in the 9 months

Significant **operational recovery** in 3Q07

Better **gross margin** in the period: review of the pricing and assortment review policy

Lower **operating expenses** 150 bps

**EBITDA margin** that attained 3.5% in 3Q07 and 2.2% in 9M07

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**New Formats  
and  
Investments**

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**Reviewed Organic Growth** : we are estimating the opening of 1 hypermarket, 6 Pão de Açúcar stores, 3 Comprebem stores, 1 Extra Perto store and 80 Extra Fácil stores.















## Positioning and Differentiation as Key Competitiveness Factors

### 1. Strategic Multi-brand and Multi-format Differentiation

#### Brand Architecture

Simplification of the banner brand portfolio ✓

Focus: Pão de Açúcar, Extra and Comprebem

Simplification and optimization of the number of Private Label products ✓

From 24 to around 12 (end of 2008)

Transversal Brand Strategy

i.e.: Taea, Pão de Açúcar and Custo-beneficio (cost-benefit) brand

Experience in Store ✓

Assets reflecting positioning (way of life, service, visual communication)

Causes ✓

Socio-environmental responsibility aligned with positioning of the corporate brands and banners

#### Products

Review of assortments ✓

#### New Businesses and Services

Creation of area and processes (funnel) ✓

Review of Gift and Purchase Cards ✓

Creation of service pool in the stores ✓

Digital Photo Development

Cell Phone Recharging

## Positioning and Differentiation as Key Competitiveness Factors

### 2. Strengthening of Pricing Model

Methodological Review of Competitiveness ✓  
Notability from the Consumer's point of view ✓  
New brand pricing model/strategy ✓

EDLP, EDFP and HILO ✓





**Main Drivers to reduce expenses:**

Lower corporate expenses (holding costs):

Headcount reduction

Dilution of fixed expenses

SAP

Zero Based Budget

External clients for the Shared Services Centre

Lower renting expenses

Stores productivity programs

2008 will be the first year of profitability

Growth of the activity levels of the Private label card related to new aggregated benefits:

- MasterCard banner for heavy and good users (PL Embandeirado)
- Increased of limit with the bill from the competitor
- Different and better terms of payment (# of installments, lower interest rates)
- Creation of CDC light in the Private Label
- Associated exclusive discounts
- Database marketing initiatives
- Electronic CDC (with higher credit limits for installments)

FIC reaching 15% to 20% share in GPA s volume of sales

One million PL new clients

Evolution in the penetration of Extended Warranty and Insurance Policies.

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Gross Sales above R\$ 20 billion

Same stores sales above inflation:

    food in line with inflation

    non-food growth close to 2 digit

Gross Margin below 2007 due to the consolidation of Assai and maintenance of the competitiveness strategy (27%-27.5%)

Reduction of total operating expenses (20%-20.5%)

    Growth of Ebitda due to growth of sales and greater dilution of expenses (Assai) and gains of efficiency (7%-7.5%)

Net Debt/EBITDA ratio around 1.3x

Investments R\$ 1 billion

**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: December 17, 2007

By: /s/ Enéas César Pestana Neto  
Name: Enéas César Pestana Neto  
Title: Administrative Director

By: /s/ Daniela Sabbag  
Name: Daniela Sabbag  
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 of future 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.

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