BRAZILIAN DISTRIBUTION CO COMPANHIA BRASILEIRA DE DISTR CBD
Form 6-K/A
July 01, 2011

FORM 6-K/A

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Report of Foreign Private Issuer

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

For the month of July, 2011

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

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

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

Form 20-F _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_

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR — Quarterly Financial Information - March 31, 2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Table of Contents

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR — Quarterly Financial Information - March 31, 2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Company Information / Capital Breakdown

Number of Shares	**Current Quarter**
(units)	**03/31/2011**
Paid in Capital	
Common	99,679
Preferred	158,094
Total	257,773
Treasury Shares	
Common	233
Preferred	0
Total	233

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR –– Quarterly Financial Information - March 31, 2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Individual Financial Statements / Balance Sheet - Assets

R$ (in thousands)

Code	Description	Current Quarter 03/31/2011	Previous Year 12/31/2010
1	Total Assets	16,060,711	16,023,603
1.01	Current Assets	4,821,231	4,687,886
1.01.01	Cash and Cash Equivalents	1,941,991	1,757,576
1.01.03	Accounts Receivable	538,806	880,370
1.01.03.01	From Customers	538,806	880,370
1.01.04	Inventories	1,745,902	1,573,254
1.01.06	Recoverable Taxes	413,836	363,762
1.01.06.01	Current Recoverable Taxes	413,836	363,762
1.01.07	Prepaid Expenses	177,820	109,765
1.01.08	Other Current Assets	2,876	3,159
1.01.08.03	Other	2,876	3,159
1.02	Noncurrent Assets	11,239,480	11,335,717
1.02.01	Long-Term Assets	1,775,189	1,775,195
1.02.01.03	Accounts Receivable	53,566	52,785
1.02.01.03.02	Other Accounts Receivable	53,566	52,785
1.02.01.06	Deferred Taxes	341,579	374,583
1.02.01.06.01	Deferred Income and Social Contribution Taxes	341,579	374,583
1.02.01.07	Prepaid Expenses	32,442	36,540
1.02.01.08	Receivables from Related Parties	828,018	804,556
1.02.01.08.02	Receivables from Subsidiaries	798,642	776,117
1.02.01.08.04	Receivables from Other Related Parties	29,376	28,439
1.02.01.09	Other Noncurrent Assets	519,584	506,731
1.02.01.09.03	Receivables From Securitization Fund	119,453	117,613
1.02.01.09.04	Recoverable Taxes	119,747	119,802
1.02.01.09.05	Deposits for Court Appeals	280,384	269,316
1.02.02	Investments	3,912,918	4,088,102
1.02.02.01	Equity Interest	3,912,918	4,088,102
1.02.02.01.02	Interest in Subsidiaries	3,912,913	4,088,097

1.02.02.01.04	Other Equity Interest	5	5
1.02.03	Property, Plant and Equipment	4,888,757	4,801,998
1.02.03.01	In operation	4,235,336	4,057,168
1.02.03.02	Financial Leases	216,452	219,442
1.02.03.03	Construction In Progress	436,969	525,388
1.02.04	Intangible Assets	662,616	670,422
1.02.04.01	Intangible Assets	662,616	670,422

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR — Quarterly Financial Information - March 31, 2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Individual Financial Statements / Balance Sheet – Liabilities

R$ (in thousands)

Code	Description	Current Quarter 03/31/2011	Previous Year 12/31/2010
2	Total Liabilities	16,060,711	16,023,603
2.01	Current Liabilities	3,920,047	4,761,610
2.01.01	Payroll and Labor Liabilities	215,532	264,606
2.01.01.01	Payroll Liabilities	29,891	36,249
2.01.01.02	Labor Liabilities	185,641	228,357
2.01.02	Accounts Payable	2,048,273	2,219,699
2.01.02.01	Domestic Accounts Payable	1,978,572	2,170,234
2.01.02.02	Foreign in currency Accounts Payable	69,701	49,465
2.01.03	Tax Liabilities	206,436	195,366
2.01.03.01	Federal Tax Liabilities	206,436	195,366
2.01.03.01.02	Other (PIS, COFINS, IOF, INSS, Funrural)	206,436	195,366
2.01.04	Debt	987,528	1,228,030
2.01.04.01	Debt	462,258	686,566
2.01.04.01.01	In Local Currency	47,854	284,568
2.01.04.01.02	In Foreign Currency	414,404	401,998
2.01.04.02	Debentures	505,436	520,675
2.01.04.03	Liabilities from Financial Lease	19,834	20,789
2.01.05	Other Liabilities	462,278	853,909
2.01.05.01	Liabilities with Related Parties	159,329	513,820
2.01.05.01.01	With Associated Companies	4,348	5,320
2.01.05.01.02	With Subsidiaries	139,847	491,076
2.01.05.01.04	With Other Related Parties	15,134	17,424
2.01.05.02	Payables	302,949	340,089
2.01.05.02.01	Dividends and Interest on Equity Payable	114,629	114,654
2.01.05.02.04	Public Utilities	3,257	3,450
2.01.05.02.05	Rent	20,796	22,887
2.01.05.02.06	Advertising	35,288	31,396
2.01.05.02.07	Onlending to Third Parties	5,313	7,622

2.01.05.02.08	Financing from Purchase of Assets	14,211	14,211
2.01.05.02.09	Other Accounts Payable	109,455	145,869
2.02	Noncurrent Liabilities	4,905,116	4,163,404
2.02.01	Debt	3,254,007	2,523,960
2.02.01.01	Debt	1,741,470	1,390,359
2.02.01.01.01	In Local Currency	1,401,845	1,059,583
2.02.01.01.02	In Foreign Currency	339,625	330,776
2.02.01.02	Debentures	1,450,999	1,067,472
2.02.01.03	Liabilities from Financial Lease	61,538	66,129
2.02.02	Other Liabilities	1,289,606	1,269,246
2.02.02.02	Other	1,289,606	1,269,246
2.02.02.02.03	Taxes payable in Installments	1,289,606	1,269,246
2.02.03	Deferred Taxes	31,597	34,392
2.02.03.01	Deferred Income and Social Contribution Taxes	31,597	34,392
2.02.04	Provisions	316,339	326,857
2.02.04.01	Tax, Social Security, Labor and Civil Provisions	316,339	326,857
2.02.04.01.01	Tax Provisions	57,695	56,693
2.02.04.01.02	Social Security and Labor Provisions	58,272	55,682

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR — Quarterly Financial Information - March 31, 2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Individual Financial Statements / Balance Sheet – Liabilities

R$ (in thousands)

Code	Description	Current Quarter 03/31/2011	Previous Year 12/31/2010
2.02.04.01.03	Provision for Benefits to Employees	43,937	39,765
2.02.04.01.04 03	Civil Provisions	156,435	174,717
2.02.06	Backlog Revenues	13,567	8,949
2.02.06.02	Backlog Revenues	13,567	8,949
2.03	Shareholders' Equity	7,235,548	7,098,589
2.03.01	Paid-in Capital	6,106,434	5,579,259
2.03.02	Capital Reserves	364,392	463,148
2.03.02.02	Special Goodwill Reserve from acquisition	238,930	344,605
2.03.02.04	Granted Options	118,064	111,145
2.03.02.07	Capital Reserve	7,398	7,398
2.03.04	Profit Reserve	720,197	1,141,697
2.03.04.01	Legal Reserve	212,339	212,339
2.03.04.05	Retention of Profits Reserve	44,605	86,755
2.03.04.10	Expansion Reserve	463,253	842,603
2.03.05	Retained Earnings/ Accumulated Losses	-167,513	-299,913
2.03.06	Equity Valuation Adjustments	212,038	214,398

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR — Quarterly Financial Information - March 31, 2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Individual Financial Statements / Statement of Income

R$ (in thousands)

Code	**Description**	**Accrued in Current Year 01/01/2011 to 03/31/2011**	**Accrued in Previous Year 01/01/2010 to 03/31/2010**
3.01	Gross Revenue from Goods and/or Services	3,858,868	3,853,715
3.02	Cost of Goods and/or Services Sold	-2,780,853	-2,862,048
3.03	Gross Income	1,078,015	991,667
3.04	Operating Income/Expenses	-789,364	-716,106
3.04.01	General and Administrative Expenses	-610,878	-571,509
3.04.02	Selling Expenses	-138,769	-143,155
3.04.04	Other Operating Income	-5,278	330
3.04.04.01	Income from fixed Assets	514	330
3.04.04.02	Other Operating Income	-5,827	0
3.04.04.03	Noncurrent Income	35	0
3.04.05	Other Operating Expenses	-71,099	-64,664
3.04.05.01	Depreciation / Amortization	-71,132	-64,664
3.04.05.02	Other Operating Expenses	33	0
3.04.06	Equity in Earnings of Subsidiaries and Associated Companies	36,660	62,892
3.05	Income before Financial Result and Taxes	288,651	275,561
3.06	Financial Result	-123,774	-60,846
3.06.01	Financial Income	78,040	57,059
3.06.02	Financial Expenses	-201 ,814	-117,905
3.07	Income before Taxes	164,877	214,715
3.08	Income and Social Contribution Taxes	-32,477	-39,839
3.08.01	Current	-889	5,864
3.08.02	Deferred	-31,588	-45,703
3.09	Net Income	132,400	174,876
3.11	Income for the Period	132,400	174,876
3.99	Earnings per Share - (Reais / Share)		

>

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR — Quarterly Financial Information - March 31, 2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Individual Financial Statements / Statement of Comprehensive Income

R$ (in thousands)

Code	**Description**	**Accrued in Current Year 01/01/2011 to 03/31/2011**	**Accrued in Previous Year 01/01/2010 to 03/31/2010**
4.01	Net Income/Loss for the Period	132,400	174,876
4.03	Comprehensive Income for the Period	132,400	174,876

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR — Quarterly Financial Information - March 31, 2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Individual Financial Statements / Statement of Cash Flows – Indirect Method

R$ (in thousands)

Code	Description	Accrued in Current Year 01/01/2011 to 03/31/2011	Accrued in Previous Year 01/01/2010 to 03/31/2010
6.01	Net Cash from Operating Activities	-435,470	-401,098
6.01.01	Cash Generated from operating Activities	300,235	282,159
6.01.01.01	Net Income for the period	132,400	174,876
6.01.01.02	Deferred Income Tax (Note 17)	31,588	45,703
6.01.01.03	Income from fixed Assets disposed	15,152	1,454
6.01.01.04	Depreciation / Amortization	71,132	64,664
6.01.01.05	Interest and Exchange rate Variation	84,563	41,393
6.01.01.06	Adjustment to Present Value	-28	0
6.01.01.07	Equity in Earnings of Subsidiaries and Associated Companies	-36,660	-62,892
6.01.01.08	Provision for Contingencies (Note 16)	9,007	9,193
6.01.01.09	Provision for Write-offs and Losses in Property, Plant and Equipment	0	-359
6.01.01.10	Share-Based Payment	-6,919	8,127
6.01.02	Changes in Assets and Liabilities	-735,705	-683,257
6.01.02.01	Accounts Receivable	136,151	-2,927
6.01.02.02	Inventories	-172,648	-25,319
6.01.02.03	Recoverable Taxes	-46,968	-68,651
6.01.02.04	Other Assets	-63,674	-71,686
6.01.02.05	Related Parties	-387,424	-138,733
6.01.02.06	Deposits for court appeals	-40,998	-10,872
6.01.02.07	Accounts Payable	-173,162	-262,192
6.01.02.08	Payroll Charges	-49,074	-61,608
6.01.02.09	Taxes and Social Contributions Payable	31,430	-7,605
6.01.02.10	Contingencies	0	-7,492
6.01.02.11	Other Accounts Payable	30,662	-26,172
6.02	Net Cash from Investment Activities	47,020	-207,535

6.02.01	Capital Increase in Subsidiaries	211,880	-28,577
6.02.02	Acquisition of fixed asset	-167,309	-169,276
6.02.03	Increase in Intangible Assets	2,449	-10,460
6.02.04	Sale of fixed asset	0	778
6.03	Net Cash from Financing Activities	572,865	-51,293
6.03.01	Capital Increase	0	3,311
6.03.02	Funding and Refinancing	951,100	0
6.03.03	Debt Payments	-326,639	-18,446
6.03.04	Interest Paid	-51 ,571	-36,154
6.03.05	Payment of Dividends	-25	-4
6.05	Increase (Decrease) in Cash and Cash Equivalents	184,415	-659,926
6.05.01	Opening Balance of Cash and Cash Equivalents	1,757,576	1,928,437
6.05.02	Closing Balance of Cash and Cash Equivalents	1,941,991	1,268,511

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR — Quarterly Financial Information - March 31, 2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Individual Financial Statements / Statement of Changes in Shareholders' Equity / DMPL – 01/01/2011 to 03/31/2011

R$ (in thousands)

Code	Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Accumulated Profit/Losses	Other Comprehensive Income	Shareholders' Equity
5.01	Opening Balances	5,579,259	463,148	1,056,182	0	0	7,098,589
5.03	Adjusted Opening Balance	5,579,259	463,148	1,056,182	0	0	7,098,589
5.04	Capital Transactions with shareholders	527,175	-98,756	-421,500	0	0	6,919
5.04.03	Options from share base payments exercises	0	6,919	0	0	0	6,919
5.04.08	Reserve for Capitalization	527,175	-105,675	-421,500	0	0	0
5.05	Total Comprehensive Income	0	0	0	132,400	0	132,400
5.05.01	Net Income for the Period	0	0	0	132,400	0	132,400
5.06	Internal Changes of Shareholders' Equity	0	0	-2,360	0	0	-2,360
5.06.04	Equity Valuation Adjustments	0	0	-2,360	0	0	-2,360
5.07	Closing Balances	6,106,434	364,392	632,322	132,400	0	7,235,548

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR — Quarterly Financial Information - March 31, 2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Individual Financial Statements / Statement of Changes in Shareholders' Equity / DMPL – 01/01/2010 to 03/31/2010

R$ (in thousands)

Code	**Description**	**Paid-in Capital**	**Capital Reserves, Options Granted and Treasury Shares**	**Profit Reserves**	**Accumulated Profit/Losses**	**Other Comprehensive Income**	**Shareholders' Equity**
5.01	Opening Balances	5,374,751	647,232	602,237	0	0	6,624,220
5.03	Adjusted Opening Balance	5,374,751	647,232	602,237	0	0	6,624,220
5.04	Capital Transactions with shareholders	3,311	7,484	4,040	0	0	14,835
5.04.03	Options from share base payments exercises	0	7,484	0	0	0	7,484
5.04.04	Reserve for Capitalization	0	0	4,040	0	0	4,040
5.04.08	Total Comprehensive Income	3,311	0	0	0	0	3,311
5.05	Net Income for the Period	0	0	0	170,351	0	170,351
5.05.01	Internal Changes of Shareholders' Equity	0	0	0	170,351	0	170,351
5.07	Equity Valuation Adjustments	5,378,062	654,716	606,277	170,351	0	6,809,406

Page 9 of 163

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR — Quarterly Financial Information - March 31, 2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Individual Financial Statements / Statement of Added Value

R$ (in thousands)

Code	Description	Accrued in Current Year 01/01/2011 to 03/31/2011	Accrued in Previous Year 01/01/2010 to 03/31/2010
7.01	Revenues	4,287,212	4,284,080
7.01.01	Sales of Goods, Products and Services	4,275,339	4,264,422
7.01.02	Other Revenues	15,554	21,422
7.01.04	Allowance for/Reversal of Doubtful Accounts	-3,681	-1,764
7.02	Goods Acquired from Third Parties	-3,549,403	-3,460,031
7.02.01	Costs of Products, Goods and Services Sold	-3,201,397	-3,116,431
7.02.02	Materials, Energy, Outsourced Services and Other	-348,006	-343,600
7.03	Gross Added Value	737,809	824,049
7.04	Retention	-71,132	-64,664
7.04.01	Depreciation, Amortization and Depletion	-71,132	-64,664
7.05	Net Added Value Produced	666,677	759,385
7.06	Added Value Received in Transfers	114,700	119,951
7.06.01	Equity in Earnings of Subsidiaries and Associated Companies	36,660	62,892
7.06.02	Financial Income	78,040	57,059
7.07	Total Added Value to Distribute	781,377	879,336
7.08	Distribution of Added Value	781,377	879,336
7.08.01	Personnel	345,191	321,001
7.08.01.01	Direct Compensation	235,434	225,392
7.08.01.02	Benefits	81,606	70,360
7.08.01.03	Government Severance Indemnity Fund for Employees (FGTS)	21 ,255	19,682
7.08.01.04	Other	6,896	5,567
7.08.02	Taxes, Fees and Contributions	18,966	189,090
7.08.02.01	Federal	18,418	103,320
7.08.02.02	State	-20,870	68,350

7.08.02.03	Municipal	21 ,418	17,420
7.08.03	Value Distributed to Providers of Capital	284,820	194,369
7.08.03.01	Interest	201,814	117,905
7.08.03.02	Rentals	83,006	76,464
7.08.04	Value Distributed to Shareholders	132,400	174,876

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR — Quarterly Financial Information - March 31, 2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Consolidated Financial Statements / Balance Sheet - Assets

R$ (in thousands)

Code	**Description**	**Current Quarter 03/31/2011**	**Previous Year 12/31/2010**
1	Total Assets	30,228,825	29,932,748
1.01	Current Assets	14,881,928	14,716,365
1.01.01	Cash and Cash Equivalents	3,587,926	3,817,994
1.01.02	Marketable Securities	367,229	608,002
1.01.02.01	Marketable Securities at fair Value	367,229	608,002
1.01.02.01.01	Securities for Trading	367,229	608,002
1.01.03	Accounts Receivable	4,243,157	4,047,234
1.01.03.01	From Customers	4,243,157	4,047,234
1.01.04	Inventories	4,848,072	4,823,768
1.01.06	Recoverable Taxes	1,100,986	888,355
1.01.06.01	Current Recoverable Taxes	1,100,986	888,355
1.01.07	Prepaid Expenses	681,590	436,985
1.01.08	Other Current Assets	52,968	94,027
1.01.08.03	Other	52,968	94,027
1.02	Noncurrent Assets	15,346,897	15,216,383
1.02.01	Long-Term Assets	3,358,109	3,398,483
1.02.01.02	Marketable Securities Evaluated at Cost	2,020	0
1.02.01.02.01	Securities Held to Maturity	2,020	0
1.02.01.03	Accounts Receivable	592,925	611,630
1.02.01.03.01	Customers	516,872	611,630
1.02.01.03.02	Other Accounts Receivable	76,053	0
1.02.01.06	Deferred Taxes	1,358,366	1,392,509
1.02.01.06.01	Deferred Income and Social Contribution Taxes	1,358,366	1,392,509
1.02.01.07	Prepaid Expenses	32,536	54,204
1.02.01.08	Receivables from Related Parties	143,269	176,241
1.02.01.08.04	Receivables from Other Related Parties	143,269	176,241
1.02.01.09	Other Noncurrent Assets	1,228,993	1,163,899
1.02.01.09.04	Recoverable Taxes	201 ,582	213,506

1.02.01.09.05	Deposits for Court Appeals	611,407	534,389
1.02.01.09.06	Option Fair Value - Bartira	416,004	416,004
1.02.02	Investments	228,859	232,540
1.02.02.01	Equity Interest	228,859	232,540
1.02.02.01.04	Other Equity Interest	228,859	0
1.02.03	Property and Equipment	6,861,785	6,703,595
1.02.03.01	In operation	6,003,683	5,708,306
1.02.03.02	Financial Leases	335,906	294,347
1.02.03.03	Construction In Progress	522,196	700,942
1.02.04	Intangible Assets	4,898,144	4,881,765
1.02.04.01	Intangible Assets	4,898,144	4,881,765

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR — Quarterly Financial Information - March 31, 2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Consolidated Financial Statements / Balance Sheet – Liabilities

R$ (in thousands)

Code	Description	Current Quarter 03/31/2011	Previous Year 12/31/2010
2	Total Liabilities	30,228,825	29,932,748
2.01	Current Liabilities	10,057,987	10,816,898
2.01.01	Payroll and Labor Liabilities	530,471	595,558
2.01.01.01	Payroll Liabilities	100,127	120,825
2.01.01.02	Labor Liabilities	430,344	474,733
2.01.02	Accounts Payable	4,864,379	5,306,349
2.01.02.01	Domestic Accounts Payable	4,781,558	5,190,645
2.01.02.02	Foreign in currency Accounts Payable	82,821	115,704
2.01.03	Tax Liabilities	358,375	353,894
2.01.03.01	Federal Tax Liabilities	358,375	353,894
2.01.03.01.02	Other (PIS, COFINS, IOF, INSS, Funrural)	358,375	353,894
2.01.04	Debt	3,432,539	2,977,505
2.01.04.01	Debt	2,868,608	2,392,363
2.01.04.01.01	In Local Currency	1,933,838	1,935,028
2.01.04.01.02	In Foreign Currency	934,770	457,335
2.01.04.02	Debentures	505,436	520,675
2.01.04.03	Liabilities from Financial Lease	58,495	64,467
2.01.05	Other Liabilities	872,223	1,583,592
2.01.05.01	Liabilities with Related Parties	19,909	274,291
2.01.05.01.04	With Other Related Parties	19,909	274,291
2.01.05.02	Payables	852,314	1,309,301
2.01.05.02.01	Dividends and Interest on Equity Payable	116,262	116,287
2.01.05.02.04	Public Utilities	6,095	5,383
2.01.05.02.05	Rent	67,969	68,226
2.01.05.02.06	Advertising	38,329	33,614
2.01.05.02.07	Onlending to Third Parties	139,558	201,224
2.01.05.02.08	Financing from Purchase of Assets	14,211	14,211
2.01.05.02.09	Other Accounts Payable	407,040	682,162

2.01.05.02.10	Acquisitions of other Companies	62,850	188,194
2.02	Noncurrent Liabilities	10,463,224	9,532,080
2.02.01	Debt	6,123,194	5,591,936
2.02.01.01	Debt	4,582,515	4,423,366
2.02.01.01.01	In Local Currency	4,130,829	3,742,950
2.02.01.01.02	In Foreign Currency	451 ,686	680,416
2.02.01.02	Debentures	1,450,999	1,067,472
2.02.01.03	Financing by Leasing	89,680	101,098
2.02.02	Other Liabilities	1,657,854	1,376,788
2.02.02.02	Other	1,657,854	1,376,788
2.02.02.02.03	Taxes payable in Installments	1,401,143	1,376,788
2.02.02.02.04	Other Accounts Payable	32,199	0
2.02.02.02.05	Companies Acquisitions	224,512	0
2.02.03	Deferred Taxes	1,312,818	1,325,333
2.02.03.01	Deferred Income and Social Contribution Taxes	1,312,818	1,325,333
2.02.04	Provisions	675,517	697,806
2.02.04.01	Tax, Social Security, Labor and Civil Provisions	675,517	697,806
2.02.04.01.01	Tax Provisions	174,001	161,491
2.02.04.01.02	Social Security and Labor Provisions	113,162	108,843
2.02.04.01.03	Provisions for Employee Benefits	58,688	52,857

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR –– Quarterly Financial Information - March 31, 2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Individual Financial Statements / Balance Sheet – Liabilities

R$ (in thousands)

Code	Description	Current Quarter 03/31/2011	Previous Year 12/31/2010
2.02.04.01.04	Civil Provisions	329.666	374.615
2.02.06	Backlog Revenues	693.841	540.217
2.02.06.02	Backlog Revenues	693.841	540.217
2.03	Consolidated Shareholders' Equity	9.707.614	9.583.770
2.03.01	Paid-in Capital	6.106.434	5.579.259
2.03.02	Capital Reserves	364.392	463.148
2.03.02.02	Special Goodwill Reserve from aquisition	238.930	344.605
2.03.02.04	Granted Options	118.064	111.145
2.03.02.07	Capital Reserve	7.398	7.398
2.03.04	Profit Reserve	720.197	1.141.697
2.03.04.01	Legal Reserve	212.339	212.339
2.03.04.05	Profit Retention Reserve	44.605	86.755
2.03.04.10	Expansion Reserve	463.253	842.603
2.03.05	Retained Earnings/ Accumulated Losses	-167.513	-299.913
2.03.06	Equity Valuation Adjustments	212.037	214.398
2.03.09	Non-Controlling Interest	2.472.067	2.485.181

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR — Quarterly Financial Information - March 31, 2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Consolidated Financial Statements / Statement of Income

R$ (in thousands)

Code	**Description**	**Accrued in Current Year 01/01/2011 to 03/31/2011**	**Accrued in Previous Year 01/01/2010 to 03/31/2010**
3.01	Gross Revenue from Goods and/or Services	10,868,794	6,972,793
3.02	Cost of Goods and/or Services Sold	-8,020,396	-5,301,738
3.03	Gross Income	2,848,398	1,671,055
3.04	Operating Income/Expenses	-2,425,217	-1,342,791
3.04.01	Selling Expenses	-1,887,504	-1,012,729
3.04.02	General and Administrative Expenses	-378,078	-232,026
3.04.04	Other Operating Income	2,354	26,983
3.04.04.01	Income from fixed Assets	486	-341
3.04.04.02	Other Operating Income	1,834	27,324
3.04.04.03	Noncurrent Income	34	0
3.04.05	Other Operating Expenses	-172,536	-147,223
3.04.05.01	Depreciation / Amortization	-158,151	-110,598
3.04.05.02	Other Operating Expenses	-14,385	-36,625
3.04.06	Equity in Earnings of Subsidiaries and Associated Companies	10,547	22,204
3.05	Income before Financial Income and Taxes	423,181	328,264
3.06	Financial Result	-325,725	-101,240
3.06.01	Financial Income	133,372	77,617
3.06.02	Financial Expenses	-459,097	-178,857
3.07	Income before Taxes	97,456	227,024
3.08	Income and Social Contribution Taxes	13,394	-56,673
3.08.01	Current	-18,159	-7,964
3.08.02	Deferred	31,553	-48,709
3.09	Net Income	110,850	170,351
3.11	Consolidated Net Income for the Period	110,850	170,351
3.11.01	Attributed to controlling shareholders	132,400	174,876
3.11.02	Attributed to Non-Controlling Shareholders	-21,550	-4,525

3.99 Earnings per Share - (Reais / Share)

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR — Quarterly Financial Information - March 31, 2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Individual Financial Statements / Statement of Comprehensive Income

R$ (in thousands)

Code	**Description**	**Accrued in Current Year 01/01/2011 to 03/31/2011**	**Accrued in Previous Year 01/01/2010 to 03/31/2010**
4.01	Net Income/Loss for the Period	132,400	174,876
4.03	Comprehensive Income for the Period	132,400	174,876
4.03.01	Attributed to controlling shorehlders	110,850	170,351
4.03.02	Attributed to Non-Controlling Shareholders	21,550	4,525

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR — Quarterly Financial Information - March 31, 2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Consolidated Financial Statements / Statement of Cash Flows – Indirect Method

R$ (in thousands)

Code	Description	Accrued in Current Year 01/01/2011 to 03/31/2011	Accrued in Previous Year 01/01/2010 to 03/31/2010
6.01	Net Cash from Operating Activities	-1,454,446	-562,479
6.01.01	Cash Generated from operation e activates	513,096	466,658
6.01.01.01	Net Income for the period	132,400	174,876
6.01.01.02	Deferred Income Tax (note 17)	-31,553	48,709
6.01.01.03	Income from fixed Assets disposed	7,089	-2,330
6.01.01.04	Depreciation / Amortization	158,151	110,598
6.01.01.05	Interest and Exchange Variation	264,227	101,695
6.01.01.06	Adjustment to Present Value	-4,216	0
6.01.01.07	Equity in Earnings of Subsidiaries and Associated Companies	-10,547	-22,204
6.01.01.08	Provision for Contingencies	26,712	51,712
6.01.01.09	Provision for Write-offs and Losses in Property and Equipment	-698	0
6.01.01.10	Share-Based Payment	-6,919	8,127
6.01.01.11	Minority Interest	-21,550	-4,525
6.01.02	Changes in Assets and Liabilities	-1,967,542	-1,029,137
6.01.02.01	Accounts Receivable	-420,350	25,336
6.01.02.02	Inventories	-20,088	-35,836
6.01.02.03	Recoverable Taxes	-193,699	-103,527
6.01.02.04	Other Assets	-196,190	-102,229
6.01.02.05	Related Parties	-13,510	-11,144
6.01.02.06	Deposits for court appeals	-117,510	-21,336
6.01.02.07	Accounts Payable	-692,873	-602,377
6.01.02.08	Payroll Charges	-65,087	-103,726
6.01.02.09	Taxes and Social Contributions Payable	41,037	-46,368
6.01.02.10	Contingencies	-6,575	-48,897
6.01.02.11	Other Accounts Payable	84,532	20,967

6.01.02.12	Marketable Securities	-367,229	0
6.02	Net Cash from Investment Activities	-264,107	-263,403
6.02.01	Acquisitions of companies	0	-28,546
6.02.02	Capital Increase in Subsidiaries	82,008	0
6.02.03	Acquisition of Property and Equipment	-286,664	-222,385
6.02.04	Increase in Intangible Assets	-59,451	-13,654
6.02.05	Sale of fixed asset	0	1,182
6.03	Net Cash from Financing Activities	880,483	289,315
6.03.01	Capital Increase	0	3,311
6.03.02	Funding and Refinancing	2,127,086	386,137
6.03.03	Debt Payments	-1,188,862	-62,167
6.03.04	Interest Paid	-57,716	-37,962
6.03.05	Payment of Dividends	-25	-4
6.05	(Decrease) in Cash and Cash Equivalents	-838,070	-536,567
6.05.01	Opening Balance of Cash and Cash Equivalents	4,425,996	2,344,200
6.05.02	Closing Balance of Cash and Cash Equivalents	3,587,926	1,807,633

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR — Quarterly Financial Information - March 31, 2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Individual Financial Statements / Statement of Changes in Shareholders' Equity / DMPL – 01/01/2011 to 03/31/2011

R$ (in thousands)

Code	**Description**	**Paid-in Capital**	**Capital Reserves, Options Granted and Treasury Shares**	**Profit Reserves**	**Accumulated Profit/Losses**	**Other Comprehensive Income**	**Shareholders' Equity**	**Non-Cont In**
5.01	Opening Balances Adjusted	5,579,259	463,148	1,056,182	0	0	7,098,589	2,4
5.03	Opening Balance	5,579,259	463,148	1,056,182	0	0	7,098,589	2,4
5.04	Capital Transactions with shareholders	527,175	-98,756	-421,500	0	0	6,919	
5.04.03	Options from share base payments exercises	0	6,919	0	0	0	6,919	
5.04.08	Reserve from Capitalization	527,175	-105,675	-421,500	0	0	0	
5.05	Total Comprehensive Income	0	0	0	132,400	0	132,400	-
5.05.01	Net Income for the Period	0	0	0	132,400	0	132,400	-
5.06	Internal Changes of Shareholders' Equity	0	0	-2,360	0	0	-2,360	
5.06.04		0	0	-2,360	0	0	-2,360	

5.06.07	Equity Valuation Adjustments Non-Controlling Interest	0	0	0	0	0	0	
5.07	Closing Balances	6,106,434	364,392	632,322	132,400	0	7,235,548	2,4

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR — Quarterly Financial Information - March 31, 2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Individual Financial Statements / Statement of Changes in Shareholders' Equity / DMPL – 01/01/2010 to 03/31/2010

R$ (in thousands)

Code	Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Accumulated Profit/Losses	Other Comprehensive Income	Shareholders' Equity	Minority Interest	S
5.01	Opening Balances	5,374,751	647,232	602,237	0	0	6,624,220	32,505	
5.03	Adjusted Opening Balance	5,374,751	647,232	602,237	0	0	6,624,220	32,505	
5.04	Capital Transactions with shareholders	3,311	7,484	4,040	0	0	14,835	-31 ,357	
5.04.03	Options from share base payments exercises	0	7,484	0	0	0	7,484	0	
5.04.04	Acquired Treasury Shares	0	0	4,040	0	0	4,040	0	
5.04.08	Reserve from Capitalization	3,311	0	0	0	0	3,311	0	
5.04.09	Non-Controlling Interest	0	0	0	0	0	0	-31,357	
5.05	Total Comprehensive Income	0	0	0	170,351	0	170,351	4,525	
5.05.01	Net Income for the Period	0	0	0	170,351	0	170,351	4,525	

5.07	Closing Balances	5,378,062	654,716	606,277	170,351	0	6,809,406	5,673

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR — Quarterly Financial Information - March 31, 2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Comments on the Company's Performance

Consolidated Financial Statements / Statement of Value Added

R$ (in thousands)

Code	Description	Accrued in Current Year 01/01/2011 to 03/31/2011	Accrued in Previous Year 01/01/2010 to 03/31/2010
7.01	Revenues	12,361,134	7,833,180
7.01.01	Sales of Goods, Products and Services	12,373,212	7,784,930
7.01.02	Other Revenues	27,167	56,341
7.01.04	Allowance for of Doubtful Accounts	-39,245	-8,091
7.02	Goods Acquired from Third Parties	-9,463,606	-6,364,257
7.02.01	Costs of Products, Goods and Services Sold	-8,320,901	-5,776,2 18
7.02.02	Materials, Energy, Outsourced Services and Other	-1,142,705	-588,039
7.03	Gross Added Value	2,897,528	1,468,923
7.04	Retention	-164,122	-110,598
7.04.01	Depreciation, Amortization and Depletion	-164,122	-110,598
7.05	Net Added Value Produced	2,733,406	1,358,325
7.06	Added Value Received in Transfers	143,919	99,82 1
7.06.01	Equity in Earnings of Subsidiaries and Associated Companies	10,547	22,204
7.06.02	Financial Income	133,372	77,617
7.07	Total Added Value to Distribute	2,877,325	1,458,146
7.08	Distribution of Added Value	2,877,325	1,458,146
7.08.01	Personnel	1,197,559	523,811
7.08.01.01	Direct Compensation	916,697	378,380
7.08.01.02	Benefits	180,329	106,171
7.08.01.03	Government Severance Indemnity Fund for Employees (FGTS)	88,440	31,967
7.08.01.04	Other	12,093	7,293
7.08.01.04.01	Interest	12,093	7,293

7.08.02	Taxes, Fees and Contributions	842,954	423,190
7.08.02.01	Federal	310,262	241,988
7.08.02.02	State	484,646	147,021
7.08.02.03	Municipal	48,046	34,181
7.08.03	Value Distributed to Providers of Capital	725,962	340,794
7.08.03.01	Interest	459,097	178,857
7.08.03.02	Rentals	266,865	161,937
7.08.04	Value Distributed to Shareholders	-21,550	-4,525
7.08.04.04	Non-Controlling Interest in Retained Earnings	-21,550	-4,525
7.08.05	Other	132,400	174,876
7.08.05.01	Company's Shareholders	132,400	174,876

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Comments on the Company's Performance

Sales Performance

GPA Food's gross same-store terms sales

increased by 8.4% in the first four months of 2011

GPA FOOD

(R$ million)	1Q11 GPA Food	1Q10 GPA Food	Chg.
Gross Sales	6,640.2	6,342.2	4.7%
Net Sales	5,984.4	5,715.3	4.7%

It is worth noting that, particularly in the case of GPA Food, the 1Q11 year-on-year sales comparison was jeopardized by the seasonal effect of Easter. In 2010, Easter fell at the beginning of April (April 4), benefiting March's sales; in 2011, however, it fell at the end of the month (April 24) benefiting April's sales.

In order to show this tendency and neutralize the seasonal impact, we are also presenting (in this section only) the sales performance for the first four months of the year.

Also to ensure better comparability, the sales of Extra Eletro and Extra.com.br were removed from GPA Food and transferred to Globex in line with the Company's new reporting structure.

In the first quarter of 2011, GPA Food recorded gross and net sales of R$6,640.2 million and R$5,984.4 million, respectively.

It is worth noting that excluding Extra Eletro and Extra.com.br, as mentioned above, gross and net sales would increase by 9.7% over 1Q10. Gross and net sales in the first four months totaled R$9,163.8 million and R$8,243.4 million, 12.6% and 12.5% up year-on-year, respectively.

In same-store terms, both gross and net sales increased by 5.7% year-on-year. Between January and April, gross sales climbed by 8.4% and net sales by 8.3%, respectively. In real terms, i.e. deflated by the IPCA consumer price index(2), gross sales moved up by 2.0%.

Also on a same-store basis, non-food sales climbed by 11.6% over 1Q10, led by electronics/household appliances and textiles, while food sales grew by 3.6%. In 4M11, food and non-food sales moved up by 6.9% and 14.4%, respectively.

The Group's best-performing formats in the 4M11 were Extra Supermercado and Assaí, which posted gross same-store sales growth above the Group's format's average.

CONSOLIDATED

(R$ million)	**1Q11 GPA Consolidated (1)**	**1Q10 GPA Consolidated (2)**	**Chg.**
Gross Sales	12,373.2	7,784.9	58.9%
Net Sales	10,868.8	6,972.8	55.9%

(1) Nova Casas Bahia is included
(2) Nova Casas Bahia is not included

In the first quarter, **GPA's** gross sales, comprising all the Group's formats and businesses, increased by 58.9% over the same period last year to R$12,373.2 million, while net sales climbed by 55.9% to R$10,868.8 million. Excluding Casas Bahia, gross and net sales totaled R$8,704.8 million and R$7,806.1 million, respectively, 11.8% and 11.9% up on 1Q10.

In same-store terms (i.e. stores that have been operational for at least 12 months, therefore excluding the Casas Bahia stores), gross and net sales grew by 6.8%.

It is worth noting that all comparisons are impacted by the consolidation of Casas Bahia in the 1Q11, non-existent in the 1Q10.

(2) Like ABRAS (the Brazilian Supermarket Association), the Company has adopted the IPCA consumer price Index as its inflation indicator, since it gives a more accurate reflection of the Company's product and brand mix. The 12-month IPCA used was 6.51%.

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Comments on the Company's Performance

Gross Profit

GPA Food gross margin widened by 110 bps over 1Q10

GPA FOOD

(R$ million)	1Q11 GPA Food	1Q10 GPA Food	Chg.
Gross Profit	1,536.8	1,405.8	9.3%
Gross Margin - %	25.7%	24.6%	110 bps

In the first quarter, GPA Food gross profit totaled R$1,536.8 million, 9.3% up year-on-year, accompanied by a gross margin of 25.7%, 110 bps more than in 1Q10. This result was obtained despite the greater contribution from Assaí (13.9% of gross sales, versus 10.6% in 1Q10), which operates with lower margins. Excluding Assaí, GPA's gross margin would have come to 27.6%, 180 bps higher than the 25.8% recorded in 1Q10.

The main factors contributing to the year-on-year improvement were:

(i) the improved product mix, with a higher share of perishables and general merchandise, whose margins are higher;

(ii) more advantageous negotiations with suppliers;

(iii) improved operational and sales management; and

(iv) implementation of a pricing management tool.

CONSOLIDATED .

(R$ million)	1Q11 GPA Consolidated (1)	1Q10 GPA Consolidated (2)	Chg.
Gross Profit	2,848.4	1,671.1	70.5%
Gross Margin - %	26.2%	24.0%	220 bps
Adjusted Gross Profit	2,856.8	1,671.1	71.0%
Adjusted Gross Margin - %	26.3%	24.0%	230bps

(1) Nova Casas Bahia is included
(2) Nova Casas Bahia is not included

In the first quarter, consolidated gross profit came to R$2,848.4 million, with a gross margin of 26.2%, 220 bps more than the 24.0% recorded in 1Q10. In addition to the above-mentioned gains by GPA Food, this result was positively impacted by Globex, whose 1Q11 gross margin stood at 26.2%, 170 bps up on the 24.5% recorded in 4Q10, basically due to gains from negotiations with suppliers. It is worth noting that Globex's gross profit was impacted by a non-recurring R$ 8.4 million from the Ponto Frio stores, due to the adoption of a more appropriate mix and store assortment resulting in an adjusted margin of 23.3%.

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR — Quarterly Financial Information - March 31, 2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Comments on the Company's Performance

It is worth noting that all comparisons are impacted by the consolidation of Casas Bahia in the 1Q11, non-existent in the 1Q10.

Total Operating Expenses

Total GPA Food operating expenses represented 18.5% of net sales in the quarter

GPA FOOD

(R$ million)	1Q11 GPA Food	1Q10 GPA Food	Chg.
Selling Expenses	928.8	830.1	11.9%
Gen. Adm. Exp.	176.8	175.2	0.9%
Total Operating Expenses	1,105.6	1,005.3	10.0%
% of Net Sales	18.5%	17.6%	90 bps

In the first quarter, total operating expenses (including selling, general and administrative expenses) came to R$1,105.6 million, equivalent to 18.5% of net sales:

(i) the impact of the greater dilution of expenses in 1Q10 due to Easter seasonality, representing around 40 basis points;

(ii) appropriation of operational expense with outsourcing in the 1Q11 (classified as CAPEX in 2010), whose impact was equivalent to 30 bps; and;

(iii) operating expense of newly opened stores equivalent to 20 bps.

CONSOLIDATED

(R$ million)	1Q11 GPA Consolidated (1)	1Q10 GPA Consolidated (2)	Chg.
Selling Expenses	1,853.6	1,012.7	83.0%
Gen. Adm. Exp.	385.4	224.7	71.5%
Total Operating Expenses	2,239.0	1,237.5	80.9%
% of Net Sales	20.6%	17.7%	290 bps

(1) Nova Casas Bahia is included
(2) Nova Casas Bahia is not included

In the first quarter, total consolidated operating expenses amounted to R$2,239.0 million, equivalent to 20.6% of net sales, 290 bps up on the 17.7% posted in 1Q10. It is worth noting that this comparison is not applicable considering the 3 months consolidation of Casas Bahia in Globex which operates with higher operational expense and was not consolidated in the 1Q10.

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Comments on the Company's Performance

EBITDA

GPA Food's EBITDA margin stood at 7.2% in the first quarter, 20 bps more than in 1Q10

GPA FOOD

(R$ million)	1Q11 GPA Food	1Q10 GPA Food	Chg.
EBITDA	431.2	400.5	7.7%
EBITDA Margin - %	7.2%	7.0%	20 bps

In the first quarter, GPA Food EBITDA totaled R$431.2 million, 7.7% up year-on-year, due to improved gross margin management, thanks to a more advantageous product mix, improved commercial management and the implementation of a pricing management tool.

The EBITDA margin stood at 7.2%, 20 bps more than the 7.0% posted in 1Q10.

CONSOLIDATED

(R$ million)	1Q11 GPA	1Q10 GPA	Chg.

	Consolidated [1]	Consolidated [2]	
EBITDA	609.4	433.6	40.5%
EBITDA Margin - %	5.6%	6.2%	-60 bps
Adjusted EBITDA	617.8	433.6	42.5%
Adjusted EBITDA Margin - %	5.7%	6.2%	-50 bps

(1) Nova Casas Bahia is included
(2) Nova Casas Bahia is not included

In the first quarter, consolidated EBITDA totaled R$609.4 million, 40.5% up on 1Q10, with a margin of 5.6%, 60 bps down on the 6.2% posted in 1Q10. Excluding the non-recurring gross profit impact, adjusted EBITDA would come to R$ 617.8 million, 50 bps down compared to 1Q10.
It is worth noting that all comparisons are impacted by the consolidation of Casas Bahia in the 1Q11, non-existent in the 1Q10.

Net Financial Result

Financial result corresponded to 2.7% of 1Q11 net sales

GPA FOOD

(R$ million)	1Q11 GPA Food	4Q10 GPA Food	1Q10 GPA Food	
Financ. Revenue	81.2	85.4		72.9
Financ. Expenses	(242.8)	(216.6)		(147.1)
Net Financial Income	(161.7)	(131.2)		(74.2)
% of Net Sales	2.7%	2.0%		1.3%

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Comments on the Company's Performance

In the first quarter, the Company recorded a net financial expense of R$161.7 million, equivalent to 2.7% of net sales, chiefly due to the period upturn in the SELIC base rate (see "Net Debt") and to the restatement of other assets and liabilities.

The net financial expense of R$161.7 million in 1Q11 was the result of the following factors:

(i) interest on the net bank debt totaling R$76.2 million, equivalent to 1.3% of net sales, the same level as in 4Q10 (1.2%);

(ii) the cost of discounted receivables was R$47.8 million, equivalent to 0.8% of net sales, higher level than in 4Q10 due to the period upturn in the SELIC base rate.

(iii) other assets and liabilities restated by the CDI rate totaling R$37.7 million, equivalent to 0.6% of net sales, a R$21.2 million variance on 4Q10, due to: (i) R$10 million derived from court deposits and taxes paid in installments; (ii) R$6.0 million reduction in assets charges and R$3.0 million reduction in liabilities charges.

Net Debt

The increase in net debt, shown in the graph below, was mainly due to: (i) seasonal effect of a R$375 million working capital need, and (ii) R$223.0 million in payments for the acquisitions.

(1) end of period

GPA Food's net debt is calculated as follows:

(R$ million)	1Q11 GPA Food	4Q10 GPA Food	1Q10 GPA Food
Total Debt	**(4,694.6)**	**(3,995.1)**	**(3,146.0)**
Loans and Financing (ST e LT)[1]	(2,738.2)	(2,407.0)	(1,644.9)
Debentures	(1,956.4)	(1,588.1)	(1,501.1)
Cash and banks	2,440.5	2,468.2	1,704.9
Net Debt	**(2,254.1)**	**(1,526.9)**	**(1,441.1)**

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Comments on the Company's Performance

CONSOLIDATED

In the first quarter, GPA posted a consolidated net financial expense of R$325.7 million, equivalent to 3.0% of net sales. In addition to the GPA Food upturn, explained above, part of this increase was due to Globex's higher financial expense as a percentage of sales, essentially due to the nature of its business.

It is worth noting that all comparisons are impacted by the consolidation of Casas Bahia in the 1Q11, non-existent in the 1Q10.

(R$ million)	**1Q11 GPA Consolidated (1)**	**4Q10 GPA Consolidated (3)**	**1Q10 GPA Consolidated (2)**
Financ. Revenue	133.4	109.9	77.6
Financ. Expenses	(459.1)	(467.7)	(178.9)
Net Financial Income	(325.7)	(357.8)	(101.2)
% of Net Sales	3.0%	3.2%	1.5%

Equity Income

FIC's result (in equity income) came to R$10.5 million in the quarter

CONSOLIDATED

In the first quarter, FIC (Financeira Itaú CBD), including Globex's operations, accounted for 12.1% of total sales, closing the period with 8.2 million clients. Default remained under control, thanks to a rigorous credit-granting policy.

As a result, FIC's equity income came to R$10.5 million in the quarter, R$7.5 million of which went to GPA and R$3.0 million to Globex.

This performance was in line with the Group's strategy of increasing the FIC card's share of sales, making it the best payment option in the stores and e-commerce operations, with exclusive benefits and advantages for card-holders.

Only for comparison purposes, the adjusted result was R$ 9.8 million.

Net Income

GPA Food's net income totaled R$135.6 million in 1Q11

GPA FOOD

(R$ million)	1Q11 GPA Food	1Q10 GPA Food	Chg.
Net Income	135.6	176.3	-23.1%
Net Margin - %	2.3%	3.1%	-80 bps
Total não recorrente	19.8	(12.0)	-
Equity Income	-	(12.0)	-
Intangible amortization	30.0	-	-
Income Tax on Adjustment	(10.2)	-	-
Adjusted Net Income	**155.4**	**164.3**	**7.0%**
Adjusted Net Margin - %	**2.6%**	**2.9%**	**-30 bps**

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR — Quarterly Financial Information - March 31, 2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Comments on the Company's Performance

In the first quarter, net income came to R$135.6 million, with a net margin of 2.3% in the quarter. Two adjustments are needed for net income comparison: intangible amortization expense in the amount of R$ 30.0 million resulted from the association with Nova Casas Bahia and IFRS adjustment in equity income in the amount of R$ 12.0 million. Excluding such effects, the net income would have come to R$ 155.4 million with margin of 2.6% in the 1Q11, a reduction of 5.4% compared to 1Q10. This reduction was primarily due to the increase in the financial expenses, explained in the financial result section.

CONSOLIDATED

(R$ million)	**1Q11 GPA Consolidated (1)**	**1Q10 GPA Consolidated (2)**	**Chg.**
Net Income	110.8	170.4	-34.9%
Net Margin - %	1.0%	2.4%	-140 bps
Total Non-recurring result	29.8	(12.0)	**-**
Gross Profit	8.4	-	-
Equity Income	-	(12.0)	-
Other Operating Expenses	6.8	-	-
Nova Casas Bahia Goodwill	30.0	-	-
Income Tax on Adjustment	(15.4)	-	-
Adjusted Net Income	**140.7**	**158.4**	**-11.2%**
Adjusted Net Margin - %	**1.3%**	**2.3%**	**-100 bps**

(1) Nova Casas Bahia is included
(2) Nova Casas Bahia is not included

In the first quarter, consolidated net income totaled R$110.8 million, with a net margin of 1.0%. It is worth noting that this result was impacted by those effects explained in the GPA Food net income section, besides the two non-recurring items:

R$ 8.4 million from gross profit and R$ 6.8 million in expenses from the restructuring of Globex, recognized in the other operating expenses line. Excluding these effects net of taxes, net income would have come to R$ 140.7 million, with a margin of 1.3%.

It is worth noting that all comparisons are impacted by the consolidation of Casas Bahia in the 1Q11, non-existent in the 1Q10.

Assaí Atacadista

Gross sales totaled R$ 910.3 million in 1Q11,

35.1% up on 1Q10

In the first quarter, Assaí posted gross sales of R$ 910.3 million, including the stores in São Paulo, Ceará, Rio de Janeiro, Pernambuco and Tocantins, 35.1% up on 1Q10, fueled by organic growth, the conversion of existing stores and the format’s improved operating result. Net sales also grew by 35.1%, accompanying gross sales.

Globex Utilidades S.A.

Same-store gross sales moved up 10.9% in the quarter

In the first quarter, Globex recorded consolidated gross sales increased by 297.4% over 1Q10 to R$5,733.0 million, while net sales climbed by 288.4% to R$4,884.4 million. Same-store gross sales moved up by 10.9% (for more details see Globex’s release).

Investments

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Comments on the Company's Performance

GPA Food invested R$263.2 million in 1Q11

GPA FOOD

In the first quarter, GPA Food invested R$263.2 million, versus R$207.0 million in 1Q10, allocated as follows:

- R$78.9 million to the opening and construction of new stores and the acquisition of strategic sites;
- R$136.1 million to store renovations and conversions;
- R$48.2 million to infrastructure (technology and logistics) and others.

Three new stores were opened in the quarter:

- two Assaí stores and 1 Extra Fácil store in São Paulo.

In addition, there were 23 conversions:

- 19 CompreBem stores in São Paulo, 17 of which converted into the Extra Supermercado format and two into the Extra Hipermercado format;
- 4 Sendas stores in Rio de Janeiro, two of which were converted into the Pão de Açúcar format and two into the Extra Hipermercado format.

CONSOLIDATED

Consolidated investments totaled R$295.8 million, R$ 32.0 million operating which went to Globex.

Dividends

R$22.5 million to be paid as dividends in the quarter

On May 11, 2011, the Board of Directors approved the prepayment of interim dividends totaling R$22.5 million in accordance with the Company's Dividend Payment Policy, approved by the Board of Directors' Meeting of August 3, 2009, equivalent to R$0.09 per preferred share and R$ 0.081818181818 per common share.

As for the fourth quarter, after the end of the fiscal year and the approval of the corresponding financial statements, the Company will pay shareholders the minimum mandatory dividends, calculated in accordance with Corporate Law, less the amounts prepaid throughout 2010.

Dividends in relation to the first quarter of 2011 will be paid on May 27, 2011. Shareholders registered as such on May 19, 2011 will be entitled to receive the payment. As of May 20, 2011, shares will be traded ex-dividends until the payment date.

Breakdown of Gross Sales by Format (R$ thousand)

1st Quarter	**2011**	**%**	**2010**	**%**	**Var.(%)**
Pão de Açúcar	1,211,884	9.8%	1,126,787	14.5%	7.6%
Extra Hipermercado (1)	2,958,259	23.9%	2,875,117	36.9%	2.9%
Extra Supermercado (2)	1,231,779	10.0%	1,217,745	15.6%	1.2%
Extra Eletro	-	0.0%	119,963	1.5%	-
Assaí	910,337	7.4%	673,612	8.7%	35.1%
Globex(3)	5,732,999	46.3%	1,442,684	18.5%	297.4%
Other business (4)	327,953	2.7%	329,023	4.2%	-0.3%
GPA Consolidated	**12,373,212**	**100.0%**	**7,784,930**	**100.0%**	**58.9%**
GPA Food	**6,640,213**	**-**	**6,342,246**	**-**	**4.7%**

(1)Includes Extra Fácil sales
(2)Includes Extra Supermercado; CompreBem and Sendas sales
(3)Includes Novas Casas Bahia; Nova.com and Extra Eletro sales
(4)Includes Drugstore and Gas station sales

Breakdown of Net Sales by Format (R$ thousand)

1st Quarter	**2011**	**%**	**2010**	**%**	**Var.(%)**
Pão de Açúcar	1,091,080	10.0%	1,016,982	14.6%	7.3%
Extra Hipermercado (1)	2,623,210	24.1%	2,545,620	36.5%	3.0%
Extra Supermercado (2)	1,118,527	10.3%	1,103,386	15.8%	1.4%
Extra Eletro	-	0.0%	111,032	1.6%	-
Assaí	826,746	7.6%	612,023	8.8%	35.1%
Globex(3)	4,884,407	44.9%	1,257,471	18.0%	288.4%

Other business (4)	324,825	3.0%	326,279	4.7%	-0.4%
GPA Consolidated	**10,868,794**	**100.0%**	**6,972,793**	**100.0%**	**55.9%**
GPA Food	**5,984,387**	**-**	**5,715,322**	**-**	**4.7%**

(1)Includes Extra Fácil sales
(2)Includes Extra Supermercado; CompreBem and Sendas sales
(3)Includes Novas Casas Bahia; Nova.com and Extra Eletro sales
(4)Includes Drugstore and Gas station sales

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR — Quarterly Financial Information - March 31, 2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO **Version: 1**

Comments on the Company's Performance

Sales Breakdown (% of Net Sales)

	2011 1st Quarter GPA Consolidated	2010 1st Quarter GPA Consolidated
Cash	41.9%	46.1%
Credit Card	46.8%	46.5%
Food Voucher	4.9%	6.8%
Credit	6.4%	0.6%
Post-dated Checks	0.1%	0.2%
Installment Sales	6.3%	0.4%

	2011 1st Quarter GPA Food	2010 1st Quarter GPA Food
Cash	53.2%	49.5%
Credit Card	39.0%	41.9%
Food Voucher	7.6%	8.4%
Credit	0.2%	0.3%
Post-dated Checks	0.2%	0.3%
Installment Sales	0.0%	0.0%

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR — Quarterly Financial Information - March 31, 2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Comments on the Company's Performance

1Q11 Results Conference Call

Friday, May 13, 2011

Conference Call in Portuguese with simultaneous translation into English:

11:00 a.m. – Brasília time | 10:00 a.m. – New York time | 9:00 a.m. – London time

Dial-in: +55 (11) 3127-4971
Code: GPA

A live webcast is available on the Company's site: www.grupopaodeacucar.com.br/ri/gpa.
The replay can be accessed after the end of the Call by dialing +55 (11) 3127-4999 – Code: 75826849

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

Vitor Fagá vitor.faga@grupopaodeacucar.com.br		**Investor Relations** Phone: (11) 3886-0421 Fax: (11) 3884-2677
Marcel Rodrigues da Silva marcel.rodrigues@grupopaodeacucar.com.br	**Bruno Salem Brasil** bruno.brasil@grupopaodeacucar.com.br	E-mail: gpa.ri@grupopaodeacucar.com.br Website: www.gpari.com.br

Grupo Pão de Açúcar operates 1,592 stores, 82 gas stations and 148 drugstores in 19 states and the Federal District. The Group's multi-format structure comprises supermarkets (**Pão de Açúcar, Extra Supermercado, CompreBem** and **Sendas**), hypermarkets (**Extra**), electronics/household appliance stores (**Ponto Frio** and **Nova Casas Bahia**), convenience stores (**Extra Fácil**), 'atacarejo' (cash & carry) (**Assaí**), and e-commerce operations (**Extra.com.br, PontoFrio.com.br, Casasbahia.com.br** and **Pão de Açúcar Delivery**), **gas stations** and **drugstores**, as well as an extensive distribution network.

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

1. Corporate information

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

Founded in 1948, the Company has 143,931 employees, 1,592 stores in 20 Brazilian states and the Federal District and a logistics infrastructure comprised of 28 warehouses located in seven states as of march 31, 2011.

The Company’s shares are traded on the Level 1 special Corporate Governance segment of the São Paulo Stock Exchange (“BOVESPA”) and New York Stock Exchanges (ADR level III).

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

2. Basis of preparation

The quarterly financial information for the three-month period ended March 31, 2011 were approved by the Board of Directors on May 12, 2011.

The consolidated quarterly financial information was prepared and has been presented according to the technical pronouncement CPC 21 Interim Financial Statements and pursuant to the international standard IAS 34, observing the provisions contained in the Official Circular Letter – CVM/SNC/SEP 003/2011 of April 28, 2011.

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

However, there is no difference between the shareholders’ equity and consolidated result reported by the Company and the shareholders’ equity and results of the controlling entity in its individual quarterly financial information.

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

3. Basis for consolidation

a) Subsidiaries

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

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

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

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

Losses are attributed to the non-controlling interest, even that if results in a deficit balance.

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

Novasoc

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

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

3. Basis for consolidation - Continued

a) Subsidiaries (continued)

PAFIDC and Globex FIDC

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

Globex

The Company consolidates the interim financial statements of Globex, a subsidiary that concentrates the Group home appliance products electric and electronic products, operating under the banners “Ponto Frio”, “Extra-Eletro”, and as of November 2010, “Casas Bahia”.

Sendas

The Company consolidates indirectly holds 100% of Sendas Distribuidora’s capital, its wholly-owned subsidiary, which operates in retail trade and cash-and-carry segments, mainly in the State of Rio de Janeiro. For further information on the acquisition of non-controlling interest, see Note 15 (a).

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR — Quarterly Financial Information - March 31, 2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

3. Basis for consolidation - Continued

a) <u>Subsidiaries</u> (continued)

	Interest in investees - % - at March 31, 2011											
Holdings	**CBD**	**Novasoc**	**Sé**	**Barcelona**	**CBD Holland**	**Sendas Distribuidora**	**Bellamar**	**ECQD**	**Lake Niassa**	**Globex**	**Nova Casa Bahia**	**PontoFrio.com**
SUBSIDIARIES:												
Novasoc	10,00	-	-	-	-	-	-	-	-	-	-	-
Sé	93,10	6,90	-	-	-	-	-	-	-	-	-	-
Sendas Distribuidora	18,33	-	50,50	29,17	-	-	-	-	-	-	-	-

PAFIDC	9,58	0,75	0,37	-	-	-	-	-	-	-	-	-
P.A Publicidade	99,99	-	-	-	-	-	-	-	-	-	-	-
Barcelona	-	-	100,00	-	-	-	-	-	-	-	-	-
CBD Holland	100,00	-	-	-	-	-	-	-	-	-	-	-
CBD Panamá	-	-	-	-	100,00	-	-	-	-	-	-	-
Xantocarpa	-	-	-	-	-	100,00	-	-	-	-	-	-
Vedra	99,99	-	-	-	-	-	-	-	-	-	-	-
Bellamar	0,01	-	99,99	-	-	-	-	-	-	-	-	-
Vancouver	100,00	-	-	-	-	-	-	-	-	-	-	-
Dallas	99,99	-	-	-	-	-	-	-	-	-	-	-
Bruxellas	99,99	-	-	-	-	-	-	-	-	-	-	-
Monte Tardelli	99,00	-	-	-	-	-	-	-	-	-	-	-
GPA 1	99,99	-	-	-	-	-	-	-	-	-	-	-
GPA 2	99,99	-	-	-	-	-	-	-	-	-	-	-
GPA 4	99,00	-	-	-	-	-	-	-	-	-	-	-
GPA 5	99,00	-	-	-	-	-	-	-	-	-	-	-
GPA 6	99,99	-	-	-	-	-	-	-	-	-	-	-
ECQD	100,00	-	-	-	-	-	-	-	-	-	-	-
API SPE Imobiliarios	100,00	-	-	-	-	-	-	-	-	-	-	-
Lake Niassa	-	-	-	-	-	-	-	-	-	99,99	-	-
Globex Utilidades	52,41	-	-	-	-	-	-	-	-	-	-	-
Globex Adm.e Serviços Ltda	-	-	-	-	-	-	-	-	-	99,99	-	-
Globex - FIDC	-	-	-	-	-	-	-	-	-	13,70	-	-
Nova Casa Bahia S.A.	-	-	-	-	-	-	-	-	-	100,00	-	-
Ponto Frio Adm.e Import. de Bens Ltda	-	-	-	-	-	-	-	-	-	99,99	-	-
Rio Expresso Comércio Atacadista Eletro Ltda	-	-	-	-	-	-	-	-	-	100,00	-	-
Globex Adm.de consórcio Ltda	-	-	-	-	-	-	-	-	-	99,99	-	-
Pontocred Negócios de Varejo Ltda.	-	-	-	-	-	-	-	-	-	99,50	-	-
Nova Extra Eletro	0,01	-	-	-	-	-	-	-	-	99,99	-	-
PontoFrio.Com Comércio Eletrônico S.A.	39,05	-	-	-	-	-	-	4,85	-	50,10	-	-
E - HUB Consult.Particip.e Com. S.A.	-	-	-	-	-	-	-	-	-	-	-	100,00
ASSOCIATED COMPANIES:												
Financeira Itaú CBD - FIC	-	-	-	-	-	-	35,76	-	14,24	-	-	-
GPA - FIDC	9.47%	0.74%	0.37%	-	-	-	-	-	-	-	-	-
Industria de Móveis									-	-	-	-
Bartira Ltda	-	-	-	-	-	-	-	-	-	-	25,00	-
Banco Investcred Unibanco	-	-	-	-	-	-	-	-	50,00	-	-	-

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR — Quarterly Financial Information - March 31, 2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

3. Basis for consolidation - Continued

a) Subsidiaries (continued)

	Interest in investees - % - at December 31, 2010												
Holdings	**CBD**	**Novasoc**	**Sé**	**Barcelona**	**CBD Holland**	**Sendas Distribuidora**	**Bellamar**	**ECQD**	**Lake Niassa**	**Globex**	**Nova Casa Bahia**	**PontoFrio.com**	**PontoCred**
SUBSIDIÁRIAS:													
Novasoc	10,00	-	-	-	-	-	-	-	-	-	-	-	-
Sé	93,10	6,90	-	-	-	-	-	-	-	-	-	-	-

Sendas Distribuidora	14,86	-	42,57	-	-	-	-	-	-	-	-	-	-
PAFIDC	9,58	0,75	0,37	-	-	-	-	-	-	-	-	-	-
P.A Publicidade	99,99	-	-	-	-	-	-	-	-	-	-	-	-
Barcelona	-	-	100,00	-	-	-	-	-	-	-	-	-	-
CBD Holland	100,00	-	-	-	-	-	-	-	-	-	-	-	-
CBD Panamá	-	-	-	-	100,00	-	-	-	-	-	-	-	-
Xantocarpa	-	-	-	-	-	100,00	-	-	-	-	-	-	-
Vedra	99,99	-	-	-	-	-	-	-	-	-	-	-	-
Bellamar	0,01	-	99,99	-	-	-	-	-	-	-	-	-	-
Vancouver	100,00	-	-	-	-	-	-	-	-	-	-	-	-
Dallas	99,99	-	-	-	-	-	-	-	-	-	-	-	-
Bruxellas	99,99	-	-	-	-	-	-	-	-	-	-	-	-
Monte Tardelli	99,00	-	-	-	-	-	-	-	-	-	-	-	-
GPA 1	99,99	-	-	-	-	-	-	-	-	-	-	-	-
GPA 2	99,99	-	-	-	-	-	-	-	-	-	-	-	-
GPA 4	99,00	-	-	-	-	-	-	-	-	-	-	-	-
GPA 5	99,00	-	-	-	-	-	-	-	-	-	-	-	-
GPA 6	99,99	-	-	-	-	-	-	-	-	-	-	-	-
ECQD	100,00	-	-	-	-	-	-	-	-	-	-	-	-
API SPE Imobiliarios	100,00	-	-	-	-	-	-	-	-	-	-	-	-
Lake Niassa	-	-	-	-	-	-	-	-	-	99,99	-	-	0,01
Globex Utilidades	52,41	-	-	-	-	-	-	-	-	-	-	-	-
Globex Adm.e Serviços	-	-	-	-	-	-	-	-	-	-	-	-	-
Ltda	-	-	-	-	-	-	-	-	-	99,99	-	-	-
Globex - FIDC	-	-	-	-	-	-	-	-	-	13,70	-	-	-
Nova Casa Bahia S.A.	-	-	-	-	-	-	-	-	-	100,00	-	-	-
Ponto Frio Adm.e Import.	-	-	-	-	-	-	-	-	-				
de Bens Ltda	-	-	-	-	-	-	-	-	-	99,99	-	-	-
Rio Expresso Comércio	-	-	-	-	-	-	-	-	-				
Atacadista Eletro Ltda	-	-	-	-	-	-	-	-	-	100,00	-	-	-
Globex Adm.de consórcio	-	-	-	-	-	-	-	-	-				
Ltda	-	-	-	-	-	-	-	-	-	99,99	-	-	0,01
Pontocred Negócios de varejo Ltda.	-	-	-	-	-	-	-	-	-	99,5	-	-	-
Nova Extra Eletro	0,01	-	-	-	-	-	-	-	-	99,99	-	-	-
PontoFrio.Com Comércio Eletrônico S.A.	39,05	-	-	-	-	-	-	4,85	-	50,10	-	-	-
E - HUB Consult.Particip.e Com. S.A.	-	-	-	-	-	-	-	-	-	-	-	100,00	-
ASSOCIATED COMPANIES:													
Financeira Itaú CBD - FIC	-	-	-	-	-	-	35,76	-	14,24	-	-	-	-
GPA - FIDC													

Industria de Móveis Bartira Ltda	-	-	-	-	-	-	-	-	-	-	25,00	-	-
Banco Investcred Unibanco	-	-	-	-	-	-	-	-	50,00	-	-	-	-

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

3. Basis for consolidation - Continued

b) Associates – BINV and FIC

The Company's investments in its associates (FIC – Financeira Itaú CBD and BINV – Banco Investcred, both are the entities that finance sales directly to GPA customers, and are result of an association among Banco Itaú Unibanco with GPA and Globex) are accounted for using the equity method. An associate is an entity in which the Company has significant influence, but not the control.

Prevailing decisions related to the operational and financial management of FIC and BINV lies with Itaú – Unibanco. Therefore, the Company poses material influence on its investments and recognized them by the equity method.

Under the equity method, the investment in the associate is carried at cost plus posts acquisitions changes in the companies' shares in the statement. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

The income statement reflects the share of the results of operations of the associate. Where there has been a change recognized directly in the equity of the associate, the Company recognizes its share of any changes and discloses it, when applicable, in the statement of changes equity. Unrealized gains and losses resulting from transactions between the Company and the associate are eliminated to the extent of the interest in the associate.

The share of associates profit is shown on the face of the income statement as equity in earning of subsidiaries and associates, corresponding to the profit attributable to equity holders of the associate and therefore is profit after tax and non-controlling interests in the subsidiaries of the associates. The interim financial statements of the associates are prepared for the same reporting period of the parent company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company.

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR — Quarterly Financial Information - March 31, 2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

3. Basis for consolidation - Continued

b) Associates – BINV and FIC (continued)

After application of the equity method, the Company determines whether it is necessary to recognize an additional impairment loss due to non-recoverability on the Company's investment in its associates. The Company determines at each balance date whether there is any objective evidence that the investment in the associate is impaired reporting. If this is case, applicable, the Company calculates the amount impairment as the difference between the investment recoverable value of the associate and its carrying amount and recognizes the loss in the income statement.

Upon loss of significant influence over the associate, the Company measures and recognizes any remaining investment at its cost. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the remaining investment and proceeds from disposal is recognized in profit or loss retaining write-off are recognized in the income for the period.

c) Participation in joint venture – Bartira

The Company has an interest in a joint venture with a jointly-owned subsidiary named Indústria de Móveis Bartira Ltda. ("Bartira"), in which the participants (GPA through Nova Casa Bahia S.A. ("NCB"), with 25% and Klein family with 75%) have an agreement that stabilizes joint control over the entity's economic activities of the entity.

The agreement requires the unanimous resolution of participants in the financial and operational decision among the ventures. The Company recognizes its interest in the joint venture using the proportional consolidation method. The group, it combines the proportional amount of each asset, liabilities, income and expenses of the joint venture with similar items– line by line – in its consolidated interim financial statements. The joint venture interim financial statements are prepared for the same reporting period by the Company. Adjustments are made when necessary to bring the accounting policies in line with those of the company.

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

4. Main accounting practices

a) Financial instruments

Financial instruments are recognized as of the date on which the Company enters into the contract. When recognized, these are recorded at their fair value plus the transaction costs that are directly attributable to their acquisition or issuance. Their subsequent measurement occurs every balance sheet date according to the rules established for each type of financial asset and liability.

(i) Financial assets

Initial recognition and measurement

Financial assets within the scope of CPC 38 (IAS 39) are classified as financial assets at their fair value through profit or loss, loan receivables, held to maturity investments or as derivatives designated as hedge instruments in an effective hedge, as appropriate.

The Company determines the classification of its financial assets at initial recognition.

All financial assets are recognized initially at fair value, and in the case of investments not at fair value through profit or loss, plus directly attributable transaction costs.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (negotiations under regular conditions) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include cash and cash equivalents, trade and other receivables, related party receivables and judicial deposits. The Company does not have any available-for-sale investments as of March 31, 2011 and December 31, 2010.

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR — Quarterly Financial Information - March 31, 2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

4. Main accounting practices - Continued

a) Financial instruments (continued)

(i) Financial assets (continued)

Subsequent measurement

The assets are classified among categories mentioned below, according to the purpose to which they were acquired or issued:

- Financial assets at fair value through profit or loss: these financial assets are measured at their fair value at each balance sheet date. Interest rates, monetary restatement, exchange rate variation and variations deriving from the valuation at fair value are recognized in the income statement when incurred as financial revenues or expenses. The financial assets are classified as available-for-sale if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedge instruments, as defined by CPC 38 (IAS 39). Derivatives, including embedded derivatives, are also classified in this group, unless they are designated as effective hedge instruments. Financial assets measured by fair value through income statement are recorded at fair value with changes recognized in financial income or financial expense. The Company has not designated any financial assets upon initial recognition as at fair value through income statement other than derivatives and cash and cash equivalents.

- Loans granted and receivables: these are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After the initial recognition, these are measured using amortized cost through the effective interest rate method. Interest income, monetary restatement, exchange variation, less impairment losses, where applicable, are recognized in the income statement when incurred as financial income or expenses.

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR — Quarterly Financial Information - March 31, 2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

4. Main accounting practices - Continued

a) Financial instruments (continued)

(i) Financial assets (continued)

Derecognition of financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired;

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full to a third party under a “pass-through” arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred the control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company’s continuing involvement in the asset.

In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations retained by the Company.

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR — Quarterly Financial Information - March 31, 2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

4. Main accounting practices - Continued

a) Financial instruments (continued)

(i) Financial assets (continued)

Impairment of financial asset (continued)

On the balance sheets dates, the Company verifies if there is any indication of impairment of an asset or group of financial assets. The impairment of an asset or group of financial assets is only considered if there are objective pieces of evidence resulting from one or more events occurred after the asset initial recognition (“loss event”), and if said event affects the estimated future cash flows of asset or group of financial assets, which can be safely estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or the financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Held-to-maturity financial assets

Referring to the held-to-maturity financial assets, the Company firstly verifies if there is objective evidence of impairment individually for the financial assets which are individually relevant or collectively for the assets, which individually, are not relevant. If the Company determines the non-existence of objective evidence of impairment of a financial asset evaluated on an individual basis, whether or not this loss is material, the Company classifies it into a group of financial assets with similar credit risk characteristics, which are evaluated collectively. The assets evaluated on an individual basis as to impairment or to which the impairment is (or still is) recognized are not included in the loss collective evaluation.

In the event of objective evidence of impairment, the corresponding loss amount is calculated as the difference between the carrying amount of assets and the present value of estimated cash flows (excluding estimated credit losses and not incurred yet). The present value of estimated cash flows is discounted at the financial assets original interest rate. If a financial asset bears variable interest rates, the discount to measure eventual impairment will be the interest rate effective at the present date.

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR — Quarterly Financial Information - March 31, 2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

4. Main accounting practices - Continued

a) Financial instruments (continued)

(i) Financial assets (continued)

Held-to-maturity financial assets (continued)

The asset's carrying amount of the asset is reduced through an allowance account and the amount of the loss is recognized in the income statement. The financial income is still accumulated over the carrying amount less the interest rate used to discount the future cash flows in order to measure the impairment. In addition, the interest income is recorded as part of the financial result in the income statement. Loans and receivables, together with respective provisions, are written off when there is no real estimation of future recovery and all guarantees have been realized or transferred to the Company.

If in the subsequent year, the amount of estimated loss of recoverable value suffers any variation due to an event occurred after its recognition, an adjustment is made in the allowance account. If a future write-off is later recovered, it is credited to financial expenses in the income statement.

Trade accounts receivable

Trade accounts receivable are non-derivative financial assets with fixed payments or that may be calculated, without quote on the active market. After initial measurement, these financial assets are subsequently measured at the amortized cost according to the effective interest rate method (“EIR”), less impairment. The amortized cost is calculated taking into account eventual discounts or premiums over the acquisition or costs composing the EIR. The EIR amortization is included in the net financial result in the income statement. Impairment expenses are recognized in the income statement in the financial expenses line.

The Company securitizes its accounts receivable with special purpose entities, the PAFIDC and Globex FIDC (See Note10).

Accounts receivable deriving from business agreements are related to bonus and rebates granted by vendors, contractually established and calculated over purchase volumes, marketing actions, freight cost reimbursements, etc.

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

4. Main accounting practices - Continued

a) Financial instruments (continued)

(i) Financial assets (continued)

Trade accounts receivable (continued)

Non-derivative financial assets with fixed payments or determinable and fixed maturities are classified as held to maturity when the Company has the intention and the capacity to hold them to maturity. After initial measurement, the held-to-maturity investments are measured and amortized at cost using the effective interest rate method, less impairment. The amortized cost is calculated including any discount or premium on the acquisition and rates or costs composing the effective interest rate. The effective interest rate amortization is included in the financial result under the income statement. The impairment losses are recognized in the income statement under financial expenses.

(ii) Financial liabilities

The financial liabilities under the scope of CPC 38 (IAS 39) are classified as financial liabilities measured at fair value through the income statement, debt or derivatives designated as hedge instruments in an effective hedge, where applicable. The Company defines the classifications of its financial liabilities upon initial recognition.

All financial liabilities are recognized initially at fair value, and in the case of debt, directly attributable transaction costs.

The Company’s financial liabilities include trade and other payables, bank overdraft accounts, debt, debentures and derivative financial instruments.

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

4. Main accounting practices - Continued

a) Financial instruments (continued)

(i) Financial assets (continued)

Subsequent measurement

The measurement depends on the classification of liabilities as follows:

• Financial liabilities measured at fair value through income statement*:* these include financial liabilities that are usually traded before maturity, liabilities designated in their initial recognition at fair value through income and derivatives, except for those designated as hedge instruments. These are measured at fair value at each balance sheet date. Interest expense, monetary restatement, exchange rate variation and variations deriving from fair value valuation, where applicable, are recognized in the statement of income when incurred.

• Debt: After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the income statement when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired.

When an existing financial liability is replaced by the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the income statement.

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

4. Main accounting practices - Continued

a) Financial instruments (continued)

(ii) Financial liabilities (continued)

Put options granted to noncontrolling shareholders

• The classification of equity instruments issued by the Company in equity or debt depends on each instrument's specific characteristics. An instrument is deemed to be an equity instrument when the following two conditions are met: (i) the instrument does not contain a contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity; and (ii) in the case of a contract that will or may be settled in the Company's own debt instruments, it is either a non-derivative that does not include a contractual obligation to deliver a variable number of the Company's own equity instruments, or a derivative that should be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments.

Accordingly, instruments that are redeemable at the Company's discretion and for which the remuneration depends on the payment of a dividend are classified in shareholders' equity.

When the Company has a present ownership interest in the shares subject to an option agreement, no non-controlling interest is recorded and the shares subject to the instrument are accounted for as own shares. The Company's policy is to treat any liability associated with the instrument as a liability under CPC 15 (IFRS 3) with changes recognized as contingent consideration against goodwill. Changes to the liability related to the passage of time such as the unwinding of a discount rate or monetary restatement are recognized in the finance expense.

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

4. Main accounting practices - Continued

a) Financial instruments (continued)

(ii) Financial liabilities (continued)

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position if and only if there is a currently enforceable a legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 18.

Reclassification of debt and equity instruments

In order to reclassify debt and equity instrument, the Company shall record them as follows:

- an equity instrument (shareholders' equity) shall be reclassified as debt instrument (financial liability) as of the date the instrument no longer shows all its characteristics and conditions necessary to support its recognition. The financial liability shall be measured at fair value of the instrument on the reclassification date. The Company shall recognize in shareholders' equity any difference between the carrying amount of equity instrument and the fair value of financial liability on the reclassification date;

- a debt instrument shall be reclassified as equity instrument (shareholders' equity) as of the date it shows all the characteristics and meets all the conditions related to its recognition, as set forth by CPC 39 (IAS 32). The equity instrument shall be measured by carrying amount of debt instrument on the reclassification date.

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

4. Main accounting practices - Continued

a) Financial instruments (continued)

(ii) Financial liabilities (continued)

Hedge accounting

The Company enters in derivative financial instruments such as, interest rate or cross-currency swap such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in fair value on derivatives are taken directly to income statement.

For the purposes of hedge accounting, hedges are classified as fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting treatment and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine if they actually have been highly effective throughout the periods for which they were designated.

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR — Quarterly Financial Information - March 31, 2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

4. Main accounting practices - Continued

a) Financial instruments (continued)

(ii) Financial liabilities (continued)

Hedge accounting (continued)

Hedges that meet the criteria for hedge accounting are accounted for as fair value hedges, observing the following procedures:

- The change in the fair value of an interest rate hedging derivative is recognized as financial result. The change in the fair value of the hedged item is recorded as a part of the carrying amount of the hedged item and is also recognized in the income statement.

- For fair value hedges relating to items carried at amortized cost, the adjustment to carrying amount is amortized in the income statement over the remaining term to maturity. Effective interest rate amortization may begin as soon as an adjustment exists and shall begin no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

- If the hedge item is derecognized, the unamortized fair value is recognized immediately in the income statement.

b) Cash and cash equivalents

In accordance with CPC 3 (IAS 7), cash and cash equivalents consist of cash, investments that are short-term, highly liquid, readily convertible to known amounts of cash and subject to an insignificant risk of changes in value with an original maturity of three months or less. Bank overdrafts are included within current liabilities on the statements of financial position.

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

4. Main accounting practices - Continued

c) Inventories

Inventories are carried at the lower of cost or net realizable value. The cost of inventories purchased is recorded at average cost, including warehouse and handling costs, to the extent these costs are necessary to make inventories available for sale in the Company's stores.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

Inventories are also reduced by allowance for losses and breakage, which are periodically reviewed and evaluated as to it is adequacy.

d) Present value adjustment of assets and liabilities

Noncurrent monetary assets and liabilities and current assets and liabilities, when relevant, are adjusted to their present value. The present value adjustment is calculated taking into account contractual cash flows and the respective explicit or implied interest rates.

Embedded interest rates on revenues, expenses and costs associated with said assets and liabilities are adjusted to the appropriate recognition in conformity with the accrual basis of accounting. The present value adjustment is recorded in those items, with a corresponding entry in financial result applied. The discount rate applied is the same of the impairment test.

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

4. Main accounting practices - Continued

e) <u>Impairment of non-financial assets</u>

The Company assesses at each balance date whether there is an indication that an asset may be impaired. When impairment indicators exist, or when there is the annual impairment testing for an asset, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the highest between an asset's or the value in use of its cash-generating unit's (CGU) fair value; the recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing the recoverable amount, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. When determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses are recognized in the income statement in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each balance date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset’s or cash-generating unit’s recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset’s recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, or the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in previous periods. Such reversal is recognized in the income for the period.

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

4. Main accounting practices - Continued

e) Impairment of non-financial assets (continued)

The following criteria are also applied in assessing impairment of specific assets:

Goodwill

Goodwill is tested for impairment annually (as of December 31) and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. Where the recoverable amount of the cash generating unit is less than its carrying amount an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods. Recoverable amount is the higher of a CGU's fair value less costs to sell and its value in use.

Intangible assets

The intangible assets with indefinite useful lives are not amortized, but tested annually in relation to impairment losses, individually or at the level of the CGU. The evaluation of indefinite useful life is reviewed annually in order to determine if this evaluation is still justifiable. Otherwise, the change in the indefinite useful life to definite useful life occurs prospectively.

Gains and losses resulting from the write-off of an intangible asset are measured as the difference between the net amount obtained from the sale and the asset's carrying amount and recognized in the income statement upon the asset write-off.

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

4. Main accounting practices - Continued

f) Property and equipment

Property and equipment is stated at cost, net of accumulated depreciation or accumulated impairment losses, if any. Such amount includes the cost of replacing a component of the equipment and borrowing costs for long term construction projects if the recognition criteria are met. When significant components of property and equipment are replaced, the Company recognizes such components as individual assets with specific useful lives and depreciation. Likewise, when a major replacement is performed, its cost is recognized in the carrying amount of the equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the income statement as incurred.

Asset category	Annual depreciation rate % – before January 1, 2010	Annual depreciation rate % – after January 1, 2010
Buildings	3.3	2.5
Improvements	6.7	4.2
Data processing equipment	10.0 to 33.0	10.0 to 50.0
Installations	20.0 to 25.0	4.2 to 10.0
Furniture and fixtures	10.0	8.3 to 33.3
Machinery and equipment	10.0	2.8 to 50.0
Vehicles	20.0	20

Items of property and equipment and any significant part are derecognized when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the assets (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is written-off.

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

4. Main accounting practices - Continued

f) Property and equipment (continued)

Borrowing costs directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

g) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized software development costs, are not capitalized and the expenditure is reflected in the income statement when incurred.

Intangible assets consist mainly of purchased software, software developed for internal use and commercial rights (stores' right to use), list of customers, call option of Bartira's controlling shareholders, profitable lease agreements, profitable supply agreements of furniture and banners.

Intangible assets with finite lives are amortized by the straight-line method. Assets with definite useful lives represented by profitable lease agreement and profitable supply agreement of furniture are amortized according to the economic benefits raised by agreements and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and method is reviewed at least at each end of period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with definite useful lives is recognized in the income statement in the corresponding category consistent with the function of the intangible asset.

Computer software development costs recognized as assets are amortized over their estimated useful lives. Software is amortized over five years.

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

4. Main accounting practices – Continued

g) Intangible assets (continued)

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment at each year-end or whenever there is an indication that their carrying amount cannot be recovered, either individually or at the cash generating unit level. The assessment is reviewed annually to determine whether the indefinite useful life continues to be valid. If not, the change in useful life from the indefinite to definite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income statement when the asset is recognized.

h) Classification of assets and liabilities as current and non-current

Assets (excluding deferred income and social contribution tax assets) that are expected to be realized in or are intended for sale or consumption within twelve months after the balance sheet date, are classified as current assets. Liabilities (excluding deferred income and social contribution tax liabilities) that are expected to be settled within twelve months as of the balance sheet date are classified as current. All others assets and liabilities (including deferred taxes) are classified as "noncurrent".

All deferred tax assets and liabilities are classified as noncurrent assets or liabilities.

i) Leases

The determination of whether an arrangement is, or contains, leasing is based on the substance of the arrangement at inception date: whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use an asset.

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

4. Main accounting practices – Continued

i) Leasing (continued)

Company as a lessee

Financial lease agreements, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the commencement of the agreement at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are allocated between finance charges and reduction of liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in the income statement.

Leased assets are depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the agreement term, the asset is depreciated over the shortest of the estimated useful life of the asset and the lease term.

Lease agreements are classified as operating leasing when there is no transfer of risk and benefits incidental to ownership of the leased item.

The installment payments of leasing (excluding costs of services, such as insurance and maintenance) classified as operating lease agreements are recognized as expenses on a straight-line basis during the term of the lease term.

Company as a lessor

Lease agreements where the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating lease. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the agreement term on the same bases as rental income.

Contingent rents are recognized as revenue in the period in which they are earned.

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR — Quarterly Financial Information - March 31, 2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

4. Main accounting practices – Continued

j) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement, net of any potential reimbursement.

k) Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the interim financial statements at the end of period, based on the minimum mandatory dividends established by the statutory law. Any amount above to that is only recorded at the date on which such incremental dividends are approved by the Company's shareholders.

l) Pension plan

The pension plan is funded through payments to insurance companies, which are classified as defined contribution plans according to CPC 33 (IAS 19). A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and previous periods.

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

4. Main accounting practices – Continued

m) Shareholders' equity

Ordinary and preference shares are classified as equity.

When any related party purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs is deducted from capital of Company's shareholders until the shares are cancelled or reissued. When such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs, is included in capital to the Company's shareholders. No gain or loss is recognized on the purchase, sale, issuance or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration is recognized in other reserves.

n) Share-based payment

Employees (including senior executives) of the Company receive remuneration in the form of share-based payment, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

In situations where equity instruments are issued and some or all of the goods or services received by the Company as consideration cannot be specifically identified, the unidentified goods or services received (or to be received) are measured as the difference between the fair value of the share-based payment transaction and the fair value of any identifiable goods or services received at the grant date. This is then capitalized or expensed as appropriate.

Equity-settled transactions

When any related party buys the Company's shares (treasury shares) the amount paid, including any directly attributable cost is deducted from shareholders' equity until the shares are cancelled or issued. When these shares are subsequently issued again, any amount paid, net of attributable transaction costs are included in the shareholders' equity. There is no gain or loss recognized in the acquisition or sale in the issue or cancellation of equity instruments. Any difference between the carrying amount and the consideration paid is recorded as capital reserve.

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

4. Main accounting practices – Continued

n) Share-based payment (continued)

Equity-settled transactions (continued)

The cost of equity-settled transactions is recognized, together with a corresponding increase in shareholders' equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity instruments at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments to be acquired.

The expense or income for a period represents the movement in cumulative expense recognized as at the beginning and end of that period. No expense is recognized for services that do not complete its acquisition period, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where an equity instrument is modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity instrument is cancelled, it is treated as if it totally vested on the date of cancellation, and any expense not yet recognized for the premium is recognized immediately. This includes any premium where non-vesting conditions within the control of either the Company or the employee are not met. However, if the cancelled plan is replaced by another plan and designated as a replacement grants on the date that it is granted, the cancelled grant and new plan are treated as if they were a modification of the original premium, as described in the previous paragraph. All cancellations of equity-settled transaction are treated equally.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (See Note 29).

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

4. Main accounting practices – Continued

o) Customer loyalty programs

These are used by entities in order provide incentives to its customers on the sale of products or services. If customer buys products or services, the Company grants credits thereto. Customer may redeem the credits free of charge or discounting from the amount of products or services.

The Company estimates the fair value of points granted according to the “Programa Mais” loyalty plan, applying statistical techniques, considering the maturity of plans defined in the regulation.

p) <u>Earnings per share</u>

Basic earnings per share are calculated based on the weighted average number of shares outstanding during the period, excluding shares issued in payment of dividends and treasury shares.

Diluted earnings per share are calculated by the treasury stock method, as follows:

- numerator: earnings for the period;

- denominator: the number of shares is adjusted to include potential shares corresponding to dilutive instruments (stock options), less the number of shares that could be bought back at market, if applicable.

Equity instruments that will or may be settled in Company's shares are included in the calculation only when their settlement would have a dilutive impact on earnings per share.

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

4. Main accounting practices – Continued

q) <u>Determination of net income</u>

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and sales taxes or duty. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements, except for those referring to extended warranty. Specifically in these cases, the Company operates as an agent, and revenue is recognized in a net basis, which reflects the commission received by insurance companies. The following specific recognition criteria must also be met before revenue is recognized:

(i) Revenue

a) Sales of goods

Revenues are recognized at the fair value of the consideration received or receivable for the sale of goods and service. Revenues from the sale of products are recognized when their value can be measured reliably, all risks and benefits inherent to the product are transferred to the buyer, the Company no longer has the control or responsibility over the goods sold and the economic benefits generated to the Company are probable. Revenues are not recognized if their realization is uncertain.

b) Interest income

For all financial instruments measured at amortized cost, interest income or expense is recorded using the effective interest rate, which is the rate that discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in the financial result under the income statement.

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

4. Main accounting practices – Continued

q) Determination of net income (continued)

(ii) Gross profit

Gross profit corresponds to the difference between net sales and the cost of goods sold. The cost of goods sold comprises the cost of purchases net of discounts and bonuses received from vendors, changes in inventory and logistics costs.

Cash bonus received from vendors is measured based on contracts signed with vendors.

Cost of sales includes the cost of logistics operations managed or outsourced by the Company, comprising all warehousing, handling and freight costs incurred after goods are first received at one of the Company stores or warehouses. Transport costs are included in purchase costs.

(iii) Selling expenses

Selling expenses consist of all store expenses, such as salaries, marketing, occupancy, maintenance, etc.

(iv) General and administrative expenses

General and administrative expenses correspond to overheads and the cost of corporate units, including the purchasing and procurement, IT and finance functions.

(v) Other operating expenses, net

Other operating income and expense correspond to the effects of major events occurring during the period that do not meet the Company's definition for the other income statement lines.

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR — Quarterly Financial Information - March 31, 2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

4. Main accounting practices – Continued

q) Determination of net income (continued)

(vi) Financial result

Finance expenses include all expenses generated by net debt and the receivables securitization during the period offset by capitalized interest, losses related to the new measurement of derivatives at fair value, losses on disposals of financial assets, finance charges on lawsuits and taxes interest charges on financial lease, and discounting adjustments.

Finance income includes income generated by cash and cash equivalents and judicial deposits, gains related to the measurement of derivatives at fair value, purchase discounts obtained from vendors.

r) Taxation

Current income and social contribution taxes

Current income and social contribution tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

The taxation on income comprises the Corporate Income Tax (“IRPJ”) and Social Contribution on Net Income (“CSLL”) and is calculated based on taxable income (adjusted income), at rates applicable according to the prevailing laws – 15% over taxable income and 10% surcharge over the amount exceeding R$ 240 in taxable income yearly for IRPJ and 9% for CSLL.

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR — Quarterly Financial Information - March 31, 2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

4. Main accounting practices – Continued

r) Taxation (continued)

Deferred income and social contribution taxes

Deferred income and social contribution taxes are recognized for all taxable temporary differences, except where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income and social contribution tax assets are recognized for all deductible temporary differences, and unused tax losses, to the extent that it is probable that taxable profit will be available against which to deduct the temporary differences and unused tax credits and losses except where the deferred income and social contribution tax assets relating to the deductible temporary difference arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor tax profit or loss.

With respect to deductible temporary differences associated with investments in subsidiaries and associates, deferred income and social contribution taxes are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income and social contribution tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income and social contribution taxes to be utilized. Unrecognized deferred income and social contribution tax assets are reassessed at the balance sheet date and are recognized to the extent that it has become probable that future taxable profits will allow these assets to be recovered.

Deferred income and social contribution tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet dates.

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

4. Main accounting practices – Continued

r) Taxation (continued)

Deferred tax (continued)

Deferred taxes related to items directly recognized in shareholders' equity are also recognized in equity and not in the income statement. Deferred tax items are recognized according to the transaction that originated it, in the income statement for the period or directly in equity.

Deferred income and social contribution tax assets and liabilities are reported net if there is a legal or contractual right to offset the tax assets against the tax liability and deferred taxes refer to the same taxed entity and submitted to the same tax authority.

Other taxes

Revenues from sales and services are subject to taxation by State Value-Added Tax (“ICMS”), Services Tax (“ISS”), Social Contribution Tax on Gross Revenue for the Social Integration Program (“PIS”) and Social Contribution Tax on Gross Revenue for Social Security Financing (“COFINS”) at rates prevailing in each region and are presented as deductions from sales in the income for the period.

The amounts recoverable derived from non-cumulative ICMS, PIS and COFINS are deducted from cost of goods sold.

Taxes recoverable or prepaid taxes are shown in the current and noncurrent assets, in accordance with the estimated timing of their realization.

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

4. Main accounting practices – Continued

r) Taxation (continued)

Sales taxes

Revenues, expenses and assets are recognized net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable;

- Receivables and payables that are stated with the amount of sales tax included. The net amount of sales tax recoverable from, or payable to, the tax authority is included as part of receivables or payables in the balance sheet.

s) Business combinations and goodwill

Business combinations are accounted using the acquisition method. The cost of an acquisition is measured as the aggreagate the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquired. For each business combination, the acquirer measures the non-controlling interest in the acquired either at fair value or at the proportional share of the in acquired company's identifiable net assets. The acquisition costs incurred are treated as expense and included in the administrative expenses.

When the Company acquires a business, it assesses financial assets and liabilities assuned for appropriate classification and designation in accordance according to contractual terms, economic circumstances and relevant conditions as at the acquisition date. This includes the separation of derivatives embedded in host contracts by the acquired company.

If the business combination is achieved in stages, the fair value on the acquisition date of the acquirer's previously held equity interest in the acquire profit or loss is remeasured to fair value on the acquisition date through.

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR — Quarterly Financial Information - March 31, 2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

4. Main accounting practices – Continued

s) Business combinations and goodwill (continued)

Any contingent payment to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes in fair value of contingent payment considered as an asset or liability will be recognized under CPC 38 (IAS 39) through income statement or as change in other comprehensive income. If the contingent payment is classified as equity, it will not be adjusted until it is finally settled within equity.

Goodwill is initially measured at cost and is the excess between payment transferred and the amount recognized for minority interest over identified net assets acquired and liabilities assumed. If this payment is lower than the fair value of net assets of the acquire, the difference is recognized in the income statement.

After initial recognition, the goodwill is measured at cost, less eventual impairment losses. For the purposes of impairment test, the goodwill acquired in a business combination is, as of the acquisition date, allocated to each one of the Company's cash generating units which shall reap the business combination benefits, regardless if other assets or liabilities of the acquired company will be assigned to these units.

If the goodwill composes a cash generating unit and part of the operation at this unit is sold, the goodwill related to the sold operation is included in the calculation profit or loss earned with the sale of operation is calculated. This goodwill disposed is then measured based on the sold operation-related amounts and part of the cash generating unit which was maintained.

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

5. Standards issued but not yet effective

There are no CPCs issued which are not effective yet, but there are IFRS issued to which there is no change in CPCs effective it is expected that the Brazilian standards will be in conformity with the international standards until the effective date thereof. Below a summary of the main standards issued but not effective yet, as well as our expectations of their impacts on the Company's interim financial statements:

IFRS 9 – Financial Instruments – Classification and Measurement - IFRS 9 concludes the first part of the replacement project of "IAS 39 Financial Instruments: Recognition and Measurement". IFRS 9 uses a simple approach to determine if a financial asset is measured at the amortized cost or fair value, based on how management manages administers its financial instruments (business model) and the contractual cash flow, of the financial assets. The standard also requires the adoption of only one method to determinate asset impairment. This standard will be effective for the fiscal years starting after January 1, 2013. The Company does not expect that this change will impact affect its financial statements.

IASB issued clarifications on the IFRS standards and amendments applicable after April 1, 2011, as follow:

- IAS 12 – Income Tax;
- IFRS 1 – First-Time Adoption of the International Financial Reporting Standards
- IFRS 7 – Disclosure of Financial Instruments;
- IFRS 9 – Financial Instruments - Measurement and Classification

The Company will evaluate the impacts on the quarterly financial information due to the adoption of these pronouncements and interpretations and does not expect adversely impact in the quarterly financial information.

There is no other standards or interpretation issued that has not been adopted that according to Management's opinion, may adversely impact the Company's results or equity.

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR — Quarterly Financial Information - March 31, 2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

6. Significant accounting judgments, estimates and assumptions

The preparation of the Company's interim consolidated financial statements requires Management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. In the process of applying the Company's accounting policies, Management has made the following judgments, which have the most significant impacts on the amounts recognized in the quarterly financial information:

a) Operating lease commitments – Company as lessor

The Company has entered into commercial property leases and determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and benefits of ownership of these properties and accounts them as operating leases.

b) Goodwill impairment

The Company tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 4 and CPC 1 (IAS 36). The recoverable amounts of cash-generating units have been determined based on recoverable amount and market quotes calculations. These calculations require the use of estimates, which are disclosed in Note 15.

c) Income taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the nature and complexity of Company's business, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to income tax and expense already recorded. The Company records provisions, based on reasonable estimates, for eventual consequences of audits by the tax authorities. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective company's domicile.

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

6. Significant accounting judgments, estimates and assumptions - Continued

c) Income taxes (continued)

Deferred income and social contribution tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred income and social contribution tax assets that can be recognized, based upon the profit estimates and the level of future taxable profits, based on the business plan approved by the Board of Directors.

The Company has tax loss carry forwards amounting to a tax benefit of R$745,677 on March 31, 2011 (R$720,530 in 2010). These losses do not have limitation periods and relate to subsidiaries that have tax planning opportunities available to support a portion of these balances. The Company recorded a valuation allowance on deferred tax assets in the amount of R$79,196 on March 31, 2011.

Further details on taxes are disclosed in Note 24.

d) Fair value of derivatives and other financial instruments

Where the fair value of financial assets and financial liabilities recorded in the interim financial statement of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The fair value of financial instruments that are actively traded on organized markets is determined based on the market quotes, on the balance sheet dates, without any deduction for transaction costs. For financial instruments that are not actively traded, the fair value is based on valuation techniques defined by the Company and compatible with usual practices on the market. If there is no active market, then the market value is determined through valuation techniques. These techniques include the use of recent market arm’s length transactions between independent parties, benchmark to the fair value of similar financial instruments, analysis of discounted cash flows or other valuation models.

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

6. Significant accounting judgments, estimates and assumptions - Continued

d) Fair value of derivatives and other financial instruments (continued)

When the fair value of financial assets and liabilities recorded in the statement of financial position cannot be from in active markets, these are determined by valuation techniques, including the discounted cash flow model. These models are collected from the market, where applicable, when these observations are not possible, judgment is required to determine the fair value. This judgment includes considerations on inputs, such as: liquidity risk, credit risk and volatility. Changes in these factors assumptions may affect the financial instruments fair value.

e) Share-based payments

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the stock options, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 25.

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR — Quarterly Financial Information - March 31, 2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO **Version: 1**

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

7. Cash and cash equivalents

Financial investments at March 31, 2011 and December 31, 2010 earn interest mainly at the Interbank Deposit Certificate ("CDI") rate. Financial investments readily available for withdrawal and in bank accounts are classified as financial assets measured at fair value through the income statement.

		Parent Company	
	CDI	**03.31.2011**	**12.31.2010**
Current			
Marketable securities			
Itaú	100.5%	**478,432**	**279,058**
Banco do Brasil	100.2%	**690,576**	**568,741**
Bradesco	100.9%	**506,472**	**564,809**
Santander	101.0%	**54,869**	**53,443**
ABN AMRO	103.0%	**8**	**-**

Unibanco	104.1%	**5,067**	**4,931**
CEF	98.0%	**2,738**	**2,668**
Votorantim	101.1%	**100,029**	**97,476**
Safra	101.3%	**57,827**	**49,849**
Other	101.4%	**2,827**	**35,884**
Total current		**1,898,845**	**1,656,859**
Cash and bank accounts		**43,146**	**100,717**
Cash and cash equivalents		**1,941,991**	**1,757,576**

		Consolidated	
	CDI	**03.31.2011**	**12.31.2010**
Current			
<u>Marketable securities</u>			
Itaú	100.5%	**1,352,987**	**1,727,488**
Banco do Brasil	100.2%	**758,874**	**696,331**
Bradesco	100.9%	**752,306**	**674,633**
Santander	101.0%	**153,220**	**70,087**
ABN AMRO	103.0%	**485**	**-**
Unibanco	104.1%	**5,067**	**4,931**
CEF	98.0%	**2,738**	**2,668**
Votorantim	101.1%	**104,925**	**104,766**
Safra	101.3%	**173,811**	**53,750**
Other	101.4%	**5,421**	**65,779**
Total current		**3,309,833**	**3,400,433**
Cash and bank accounts		**278,093**	**417,561**
Cash and cash equivalents		**3,587,926**	**3,817,994**

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR — Quarterly Financial Information - March 31, 2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

8. Marketable securities

		Consolidated	
	CDI	**03.31.2011**	**12.31.2010**
Banco do Brasil	101.00%	**96,568**	315,332
Banco Bradesco		**121,388**	-
Banco Santander	100.50%	**54,373**	190,307
Banco Safra	101.25%	96,920	102,363
		369,249	608,002
Total current		**367,229**	608,002
Total noncurrent		**2,020**	-

The NCB subsidiary is restricted to use the balance of R$96,568 (R$155,912 on December 31, 2010) invested in Banco do Brasil, referring to Consumer Direct Credit through Dealer ("CDCI"). Out of this balance, R$94,548 can be withdrawn by means of payment of restricted loan during the next 12 months, and R$2,020 recognized in non-current assets, will be available after April 1, 2012.

9. Trade accounts receivable

a) Breakdown

	Parent Company	
	03.31.2011	**12.31.2010**
Current		
Resulting from sales through:		
Credit card companies	**92,093**	305,075
Sales vouchers and others	**45,570**	43,673
Sales with post-dated checks	**1,747**	2,027
Own credit card – interest free installment	**10,672**	15,127
Accounts receivable from related parties	**152,477**	180,917
Accounts receivable from vendors	**236,247**	333,551
Total current	**538,806**	880,370
Noncurrent		
Other accounts receivable	**58,283**	59,087
Allowance for doubtful accounts	**(4,717)**	(6,302)
Total noncurrent	**53,566**	52,785

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR — Quarterly Financial Information - March 31, 2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

9. Trade accounts receivable

a) Breakdown (continued)

	Consolidated	
	03.31.2011	**12.31.2010**
Current		
Resulting from sales through:		
Credit card companies	**383,247**	425,581
Sales vouchers and others	**361,825**	158,166
Consumer finance	**1,404,424**	1,520,670
Sales with post-dated checks	**5,695**	6,294
Trade note receivable from wholesale clients	**27,997**	13,233
Own credit card – interest free installment	**10,672**	15,127
Accounts receivable from related parties	**5,954**	-

Allowance for doubtful accounts	**(192,075)**	(172,901)
Adjustment to present value	**(21,319)**	(7,062)
Accounts receivable from vendors	**302,242**	421,097
	2,282,707	2,380,205
Accounts receivable – FIDCs	**1,960,449**	1,667,029
Total current	**4,243,157**	4,047,234
Noncurrent		
Accounts receivable – Paes Mendonça	**431,275**	420,570
Consumer finance	**85,597**	101,503
Other accounts receivable	**87,110**	105,859
Allowance for doubtful accounts	**(11,058)**	(16,302)
Total noncurrent	**592,925**	611,630

Trade receivables are amounts due from customers for merchandise sold or services rendered in the ordinary course of business.

b) Credit card companies

Credit card sales are receivable from the credit card companies. In the subsidiaries Globex, Casas Bahia and PontoFrio.com, credit card receivables, related to the sale of home appliances, are receivable in installments not exceeding 18 months.

Through its subsidiaries Globex, Ponto Frio and Nova Casa Bahia, the Company sells or deducts its credit card receivables to banks or credit card companies, in order to obtain working capital.

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

9. Trade accounts receivable - Continued

c) Consumer credit

The balances of "accounts receivable from payment vouchers" refer to consumer direct credit through dealer ("CDCI") which can be paid in 24 installments.

The Company maintains agreements with financial institutions where it is referred to as intervening party of these operations.

Until November 2010, NCB subsidiary maintained an operating agreement with Banco Bradesco ("Bradesco"), through its subsidiary Finasa, for the granting of credit to its customers aiming at making feasible the acquisition of its goods at stores. As a result of credit granted to customers, the Company receives the principal amount financed by Bradesco on the first business day following the sale date.

According to this agreement, the Company is liable for the extrajudicial collection of defaulting customers, bearing the corresponding expenses. After elapsing 45 days of the initial maturity of overdue installments, the Company acquires the credit by means of assignment. Within this context, as required by CPC 38 (IAS 39) – Financial Instruments: Recognition and Measurement, the risks and benefits related to accounts receivable assigned to Bradesco are not substantially transferred to the counterparty, which is recognized in the Company's balance sheet against debt.

The outstanding balance of these receivables under Globex's responsibility at March 31, 2011 was R$377,717 (R$657,097 at December 31, 2010).

d) Accounts receivable - FIDCs

The Company carries out securitization operations of its receivables, represented by credit sales with food voucher and credit card company receivables, with the Receivables Securitization Fund, or PAFIDC. The volume of operations stood at R$2,390,481 at March 31, 2011 (R$2,543,974 at December 31, 2010) for PAFIDC, in which the responsibility for services rendered and subordinated interests was retained. The consolidated securitization costs of such receivables amounted to R$162,575 (R$29,807 at March 31, 2010), recognized as financial expenses in income statement for the period.

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR — Quarterly Financial Information - March 31, 2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

9. Trade accounts receivable - Continued

d) Accounts receivable – FIDCs (continued)

Services rendered, which are not remunerated, include credit analysis and the assistance by the collection department to the fund's manager.

The outstanding balances of these receivables in PAFIDC at March 31, 2011 and December 31, 2010 were R$1,960,449 and R$1,667,029 respectively, net of allowance for losses.

e) Accounts receivable – Paes Mendonça

The accounts receivable from Paes Mendonça relate to amounts deriving from the payment of third party liabilities by the subsidiaries Novasoc and Sendas. Pursuant to contractual provisions, these accounts receivable are monetarily restated and guaranteed by commercial leasing rights of certain stores currently operated by the Company, Novasoc and Sendas. Maturity of accounts receivable is linked to the lease agreements.

f) Accounts receivable from vendors

Accounts receivable from vendors includes rebates and discounts obtained from vendors. These amounts are established contractually and include amounts for volume purchase discounts, joint marketing programs, freight reimbursements, and other similar programs.

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR — Quarterly Financial Information - March 31, 2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

9. Trade accounts receivable - Continued

g) Allowance for doubtful accounts

The allowance for doubtful accounts is based on average historical losses complemented by Company's estimates of probable future losses:

	Parent Company	
	03.31.2011	**12.31.2010**

At the beginning of the period	**(6,302)**	(5,948)
Allowance for doubtful accounts	**(1,482)**	(10,932)
Recoveries and provision written off	**3,067**	10,578
At the end of the period	**(4,717)**	(6,302)
Other accounts receivable	**(4,717)**	(6,302)
	(4,717)	(6,302)

	Consolidated	
	03.31.2011	**12.31.2010**
At the beginning of the period	**(189,203)**	(17,237)
Allowance for doubtful accounts	**(45,829)**	(596,885)
Recoveries and provision written off	**31,899**	424,919
At the end of the period	**(203,133)**	(189,203)
Credit sales with post-dated checks	**(4)**	
Corporate sales	**(192,071)**	(172,901)
Other accounts receivable	**(11,058)**	(16,302)
	(203,133)	(189,203)
Total current	**(192,075)**	(172,901)
Total noncurrent	**(11,058)**	(16,302)

			Past due but not accrued for losses			
	Total	**Not past due**	**<30 days**	**30-60 days**	**61-90 days**	**>90 days**
03.31.2011	4,243,157	4,083,235	110,014	23,167	13,544	13,197
12.31.2010	4,047,234	3,741,698	229,411	16,497	53,090	6,538

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

10. Receivables Securitization Fund

a) Receivables Securitization Fund - Pão de Açúcar

PAFIDC is a receivables securitization fund created for the purpose of acquiring the Company and its subsidiaries' trade receivables, arising from sales of products and services to their customers, except for receivables from installment sales and post-dated checks. The fund has a defined term to se settle an December 7, 2012.

The capital structure of the fund, at March 31, 2011, is composed of 10,295 senior shares held by third parties in the amount of R$1,127,869 (R$1,096,130 at December 31, 2010), which represent 89.42% of the fund's equity (89.30% at December 31, 2010) and 2,864 subordinated shares, held by the Company and subsidiaries in the amount of R$133,429, which represent 10.58% of the fund's equity (10.70% at

December 31, 2010).

The subordinated quotas were imputed to the Company and are recorded in non-current assets, as interest in the receivables securitization fund, with a balance of R$119.453 at March 31, 2011 (R$117,613 at March 31, 2010). The interest held in subordinated quotas represents the maximum exposure to the securitization operations losses.

The interest rates of senior shares are shown below:

		03.31.2011		12.31.2010	
Quotaholders	**Amount**	**CDI Rate**	**Balance redeemable**	**CDI Rate**	**Balance redeemable**
Senior A	5,826	**109.5%**	**692,344**	105%	**672,861**
Senior B	4,300	**109.5%**	**189,466**	105%	**184,135**
Senior C	169	**109.5%**	**246,059**	105%	**239,134**
			1,127,869		**1,096,130**

Page **76** of 163

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR — Quarterly Financial Information - March 31, 2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

10. Receivables Securitization Fund - Continued

a) Receivables Securitization Fund - Pão de Açúcar (continued)

Subordinated quotas are registered and non-transferable, and were issued in a single series. The Company will redeem the subordinated quotas only after the redemption of senior quotas or at the end of the fund's term. Once the senior quotas have been remunerated, the subordinated quotas will receive the balance of the fund's net assets after absorbing any losses on receivables transferred and any losses attributed to the fund. Their redemption value is subject to credit, prepayment, and interest rate risks on the transferred financial assets.

The holders of senior quotas have no recourse against the other assets of the Company in the event customers' default on the amounts due. As defined in the agreement between the Company and PAFIDC, the transfer of receivables is irrevocable, irreversible and definitive.

b) Globex Receivables Securitization Fund – Globex FIDC

Globex FIDC is a receivables securitization fund created to acquire the accounts receivable of Globex (mainly credit card), originated from the sale of products and services to its customers. This fund was created on November 11, 2010 with an indeterminate term.

The fund equity structure at March 31, 2011 is composed of 11,666 senior shares held by third parties, amounting to R$1,218,125 (R$1,166,600 at December 31, 2010), representing 86.3% of the fund equity (87.5% at December 31, 2010) and 169 subordinated shares (1,667 at December 31, 2010), held by the Company and its subsidiaries, amounting to R$192,926 (R$166,700 at December 31, 2010), accounting for 13.7% of the fund's net assets (12.5% at December 31, 2010).

Below, the interest rates of senior shareholders:

		03.31.2011		**12.31.2010**	
Shareholders	**Amount**	**CDI Rate**	**Balance**	**CDI Rate**	**Balance**
Senior - 1st Series	11,666	**107.75%**	**1,218,125**	107.75%	1,184,387

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

11. Inventories

	Parent Company	
	03.31.2011	**12.31.2010**
Stores	**1,020,315**	999,835
Warehouses	**766,478**	623,223
Inventor Allowances	**(40,891)**	(49,804)
	1,745,902	1,573,254

	Consolidated	
	03.31.2011	**12.31.2010**
Stores	**2,948,515**	2,638,904

Warehouses	**2,005,083**	2,291,445
Provision for inventor allowances	**(101,310)**	(97,942)
Present Value Adjustment	**(4,216)**	(8,639)
	4,848,072	4,823,768

Allowances on inventories in the parent company mainly refer to provisions on unrealized bonuses in inventories amounting to R$36,814 (R$40,883 in 2010). In the consolidated, the allowances for inventories are mainly composed of provisions for unrealized vendor’s bonuses in inventories amounting to R$56,703(R$51,344 in 2010), besides breakage provisions in Globex amounting to R$31,313 (R$25,422 in 2010).

The adjustment to present value of inventories refers to the corresponding entry of adjustment to present value of the subsidiary Globex’s vendors.

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR — Quarterly Financial Information - March 31, 2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

12. Recoverable taxes

The balances of recoverable taxes refer to credits from Withholding Income Tax, (“IRRF”), Social Contribution Tax on Gross Revenue for the Social Integration Program (“PIS”), Social Contribution Tax on Gross Revenue for Social Security Financing (“COFINS”) and recoverable State Value-Added Tax (“ICMS”):

	Parent Company	
	03.31.2011	**12.31.2010**
Current		
Taxes on sales	**296,336**	263,936
Income tax and others	**117,968**	100,286
Present value adjustment	**(468)**	(460)
	413,836	363,762
Noncurrent		
Taxes on sales	**111,812**	111,812

ICMS and others	**15,525**	15,494
Present value adjustment	**(7,590)**	(7,504)
	119,747	119,802
Total of recoverable taxes	**533,583**	483,564

	Consolidated	
	03.31.2011	**12.31.2010**
Current		
Taxes on sales	**791,873**	612,956
Income tax and others	**309,665**	275,946
Present value adjustment	**(552)**	(547)
	1,100,986	888,355
Noncurrent		
Taxes on sales	**194,531**	189,097
ICMS and others	**20,480**	33,320
Present value adjustment	**(13,429)**	(8,911)
	201,582	213,506
Total of recoverable taxes	**1,302,568**	1,101,861

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR — Quarterly Financial Information - March 31, 2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

13. Property and equipment

	Parent Company					
	Balance at 12.31.2010	**Additions**	**Depreciation**	**Sales**	**Transfers**	**Balance at 03.31.2011**
Land	820,088	**-**	**-**	**-**	**-**	**820,088**
Buildings	1,795,262	**3,163**	**(13,903)**	**(10)**	**81,873**	**1,866,385**
Leasehold improvements	986,222	**13**	**(17,382)**	**(1,991)**	**61,733**	**1,028,595**
Equipment	363,139	**16,509**	**(21,468)**	**(1,285)**	**41,121**	**398,016**
Facilities	92,104	**2,606**	**(2,233)**	**(123)**	**5,536**	**97,890**
Furniture and fixtures	160,883	**3,681**	**(6,123)**	**(1,109)**	**19,161**	**176,493**
Vehicles	15,193	**306**	**(1,075)**	**(245)**	**362**	**14,541**
Construction progress	421,480	**132,742**	**-**	**(10,389)**	**(208,935)**	**334,898**
Other	120,989	**8,289**	**(1,377)**	**-**	**(2,070)**	**125,831**
	4,775,360	**167,309**	**(63,561)**	**(15,152)**	**(1,219)**	**4,862,737**

Financial leasing:						
It Hardware	3,665	**-**	**(276)**	**-**	**-**	**3,389**
Buildings	22,973	**-**	**(342)**	**-**	**-**	**22,631**
	26,638	**-**	**(618)**	**-**	**-**	**26,020**
Total property and equipment	4,801,998	**167,309**	**(64,179)**	**(15,152)**	**(1,219)**	**4,888,757**

	Parent Company					
	Balance at 12.31.2010	**Additions**	**Depreciation**	**Sales**	**Transfers**	**Balance at 03.31.2011**
Land	975,496			1,263		976,759
Buildings	1,904,501	3,585	(15,232)	214	89,107	1,982,175
Leasehold improvements	1,519,071	12,380	(29,952)	2,146	152,651	1,656,296
Equipment	640,573	50,346	(36,293)	(710)	63,548	717,464
Facilities	250,093	3,927	(7,395)	963	9,749	257,337
Furniture and fixtures	398,308	14,902	(12,352)	183	29,273	430,314
Vehicles	157,982	7,009	(7,690)	(368)	(1,310)	155,623
Construction progress	577,348	180,376		(10,389)	(346,853)	400,482
Other	146,378	14,008	(2,169)	(349)	(3,643)	154,225
	6,569,750	286,533	(111,083)	(7,047)	(7,478)	6,730,675
Financial leasing:						
Equipment	74,332	**-**	(1,162)	**-**	868	74,038
It Hardware	5,785	**-**	(4,052)	**-**	113	1,846
Facilities	1,087	**-**	(27)	**-**	(57)	1,003
Furniture and fixtures	12,811	**-**	(394)	**-**	(864)	11,553
Vehicles	12,556	**-**	490	**-**	2,789	15,835
Buildings	27,274	**-**	(439)	**-**		26,835
	133,845	-	(5,584)	-	2,849	131,110
Total property and equipment	**6,703,595**	**286,533**	**(116,667)**	**(7,046)**	**(4,629)**	**6,861,785**

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

13. Property and equipment - Continued

At March 31, 2011 and December 31, 2010 the Company and its subsidiaries had collateralized fixed assets and legal claims, as disclosed in Note 19 (f).

Provision for impairment was not recorded for the period ended March 31, 2011, an R$11 million provision for impairment of stores fixed assets was recorded on December 31, 2010.

Transfers refer to items transferred to other Group companies and intangible assets (software) carried through construction in progress account upon their acquisition.

a) Capitalization of loan interest

The capitalized borrowing costs are related to the constructions or significant refurbishment of approximately 370 stores.

The amount of borrowing costs capitalized during the period ended March 31, 2011 was 4,109 (R$4,920 at March 31, 2010), respectively. The rate used to determine the amount of borrowing costs eligible for capitalization was approximately 100% of CDI, which is the effective interest rate of the Company's borrowings.

14. Intangible assets

				Parent Company			
	Balance at 12.31.2010	**Additions**	**Amortization**	**Acquisition of Subsidiary**	**Write-offs**	**Transfers**	**Balance at 03.31.2011**
Goodwill - Home appliances	174,548	-	-	-	-	-	174,548
Goodwill – Cash and carry	300,614	-	-	-	-	-	300,614
Total goodwill	**475,162**	**-**	**-**	**-**	**-**	**-**	**475,162**
Intangible assets - NCB	-	-	-	-	-	-	-
Total intangible assets - NCB	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Commercial rights -Retail	-	-	-	-	-	-	-
Total commercial rights	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Software	195,260	347	(9,372)	-	-	1,218	187,454
Total software	**195,260**	**347**	**(9,372)**	**-**	**-**	**1,218**	**187,454**
Total intangibles	**670,422**	**347**	**(9,372)**	**-**	**-**	**1,218**	**662,616**

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR — Quarterly Financial Information - March 31, 2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

14. Intangible assets - Continued

Consolidated

	Balance at 12.31.2010	Additions	Amortization	Acquisition of Subsidiary	Write-offs	Transfers	Balance at 03.31.2011
Goodwill – Cash and carry	428,762	-	-	-	-	-	428,762
Goodwill – Home appliances	279,851	-	-	-	-	-	279,851
Goodwill – Cash and carry	663,195	-	-	-	-	-	663,195
Total goodwill	**1,371,808**	**-**	**-**	**-**	**-**	**-**	**1,371,808**
Brand – Home appliances	399,719	6	(1,571)	-	-	-	398,154

Brand– E-commerce	1,615,417	-	-	-	-	-	1,615,417
Brand– Cash and carry	38,639	-	-	-	-	-	38,639
Total brand	**2,053,775**	**6**	**(1,571)**	**-**	**-**	**-**	**2,052,210**
Commercial rights – Home appliances	617,899	230	(1,927)	-	-	2,537	618,739
Commercial rights – Retail	-	-	-	-	-	-	-
Total commercial rights	**617,899**	**230**	**(1,927)**	**-**	**-**	**2,537**	**618,739**
Customer relations – Home appliances	24,845	-	-	-	-	-	24,845
Total customer relations	**24,845**	**-**	**-**	**-**	**-**	**-**	**24,845**
Profitable supply agreement – Bartira	274,542	-	(15,485)	-	-	-	259,057
Profitable supply agreement – Nova Casa Bahia	251,994	-	(15,479)	-	-	-	236,515
Profitable agreements	**526,536**	**-**	**(30,964)**	**-**	**-**	**-**	**495,572**
Software	286,902	62,915	(15,601)	-	(43)	798	334,971
Total other	**286,902**	**62,915**	**(15,601)**	**-**	**(43)**	**798**	**334,971**
Total intangible assets	**4,881,765**	**63,151**	**(50,063)**	**-**	**(43)**	**3,335**	**4,898,144**

a) Impairment testing of goodwill and intangibles

Goodwill and intangible assets are annually tested for impairment by the method described in Note 4 – “Significant Accounting Policies”.

Management made an estimate of recoverable amounts or values in use for all assets. The assumptions used are set out below.

As a result of the impairment tests carried out in 2010 and impairment indicators evaluation, the Company did not recognize impairment losses.

Impairment testing consists of determining the values in use of the cash generating units (CGUs) or groups of CGU to which the goodwill and intangible assets are allocated and comparing them with the carrying amounts of the related assets. Goodwill arising on the initial acquisition of companies is allocated to the groups of CGU in accordance with the classifications set out in Note 26 (Segment Information).

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

14. Intangible assets - Continued

a) Impairment testing of goodwill and intangibles

For internal valuation, impairment testing is carried out annually at the closing date and generally consists of determining the value in use of each CGU in accordance with the principles set out in Note 4. Value in use is determined by the discounted cash flows method, based on a pre-tax cash flow and using the following rates:

	Growth rate	**Discount rate (i)**
Cash flow	Between 3.9% and 4.9%	11.3%

(i) The discount rate is represented by the Company’s average cost of capital in current Reais (Capital Assets Pricing Model - CAPM)

The future cash flow assumptions and growth prospects are based on the Company’s annual budget and long-term business plans, approved by the Board of Directors, as well as comparable market data and they represent Management’s best estimate of the economic conditions that exist during the economic useful life of group of the assets that generate cash flows.

Key assumptions used in the impairment analysis are outlined below:

1. Revenues – projected based on the annual budget of the following year and the Company’s business plan comprising the period of 2011 to 2015;

2. Costs and operational expenses – projected based on the Company’s business plan.

3. Capital investments – capital investments were estimated considering the infrastructure required to support the growth set forth in the business plan.

Key assumptions were estimated considering the Company’s historical performance and based on reasonable macroeconomic assumptions and are compatible with external sources of information based on financial market projections, and are documented and approved by Company’s Management.

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

14. Intangible assets - Continued

b) Other intangibles

Software was tested for impairment following the same criteria established for property and equipment.

Other intangible assets, whose useful life is indefinite, were submitted to impairment test according to the same calculation criteria used in goodwill on investments.

Acquisitions in 2010

Referring to the business combinations occurred in 2010 (as described in Note 16), the Company acquired intangible assets with definite and indefinite useful lives, as follows:

- Indefinite useful life – brands and commercial rights;
- Definite useful life – profitable lease agreement (10 years), profitable furniture supply agreement (3 years) and customer relationship (5 to 7 years).

15. Investments

a) <u>Breakdown of investments</u>

	Parent Company							
	Sé	**Sendas**	**Novasoc**	**Globex**	**PontoFrio.com**	**NBC**	**Other**	**Total**
Balances at December 31, 2009	**1,591,637**	**52,194**	-	**803,936**	-	-	18,393	**2,466,1**
Additions	-	-	6,449	473,688	-	-	-	**480,1**
Acquisitions	-	-			18,895	1,015,547	-	1,034,4
Exchange variation	(13,391)	(18,343)	-	-	-	-	-	(31,73
Write-off								
Equity pick-up	124,259	745	35,576	(14,221)	(2,077)	-	4,227	148,5
Dividends receivable	-	782	-	-	-	-	-	7
Transfer to capital deficiency								
Other	-	-	(11,984)	(1,622)	2,176	-	1,236	(9,80
Balances at December 31, 2010	**1,702,505**	**35,378**	**30,041**	**1,261,781**	**18,994**	**1,015,547**	**23,856**	**4,088,1**
Exchange variation	**(152,074)**	**(36,655)**	**(11,271)**	**-**	**-**	**-**	**-**	**(200,00**
Write-off								
Equity pick-up	**36,989**	**7,831**	**9,213**	**(12,692)**	**(425)**	**(4,256)**	**-**	**36,6**
Other	**-**	**-**	**-**	**(11,731)**	**(113)**	**-**	**-**	**(11,84**
Balances at March 31, 2011	**1,587,420**	**6,554**	**27,983**	**1,237,358**	**18,456**	**1,011,291**	**23,856**	**3,912,9**

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

15. Investments - Continued

a) Breakdown of investments (continued)

	Consolidated			
	FIC/ Miravalles	**Binv/ Globex**	**Other**	**Total**
Balances at December 31, 2009	**176,565**	**15,010**	**2,652**	**194,227**
Additions	-			-
Acquisitions (i)	-		(465)	(465)
Write-off	-	-	-	-
Equity pick-up	21,722	12,799	(22)	34,499
Dividends receivable	(7,925)	(3,155)		(11,080)

Law 11,638/07	16,011	(652)		15,359
Balances at December 31, 2010	**206,373**	**24,002**	**2,165**	**232,540**
Write-off	(13,670)	(553)		(14,223)
Equity pick-up	7,510	3,054	(22)	10,542
Balances at March 31, 2011	**200,213**	**26,503**	**2,143**	**228,859**

(i) Fair value of investment that NCB maintains in Bartira.

(i) FIC / Miravalles

The miravalles, a company organized in July 2004 and owner of exploitation rights of the Company's financial activities, received capital subscription from Itaú Unibanco Holding S.A., which now holds 50% equity interest of such company (the other 50% interest is held by CBD). Also in 2004, Miravalles incorporated Financeira Itaú Companhia S.A. ("FIC"). FIC is a company which structures and trades financial products and services exclusively to the Company's customers.

At August 28, 2009, the Company and Itaú Unibanco Holding S.A. ("Itaú Unibanco") amended the FIC partnership agreement, removing Itaú Unibanco's exclusivity obligation and extending the partnership agreement for additional 5 years, which shall be valid until August 28, 2029. Finally, the new partnership agreement includes all brands and formats of stores operated or owned by the Company, direct or indirectly, including supermarkets, hypermarkets, convenience stores, home appliance stores, cash and carry stores, gas stations, drugstores and e-commerce.

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR — Quarterly Financial Information - March 31, 2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

15. Investments - Continued

a) Breakdown of investments (continued)

(i) FIC / Miravalles (continued)

During 2009, there was a corporate restructuring involving the merger of Miravalles and FIC. After such restructuring, the Company still holds an interest of 50% in FIC. The operational management of FIC is under the responsibility of Itaú Unibanco.

The summarized financial information of FIC at March 31, 2011 and December 31, 2010 is as follows:

	Consolidated	
	03.31.2011	**12.31.2010**
Current assets	**3,331,432**	3,118,059
Non-current assets	**1,286**	289,963
Total assets	**3,363,371**	3,408,022
Current liabilities	**2,762,134**	2,783,045
Non-current liabilities	**27,628**	36,259
Shareholders’ equity	**557,399**	588,718
Total liabilities and shareholders’ equity	**3,363,371**	3,408,022
Operating results:		
Revenues	**203,585**	918,415
Operating income	**11,773**	145,756
Net income	**8,560**	93,302

(ii) Sendas

Acquisition of minority interest in Sendas Distribuidora

On January 5, 2007, Sendas S.A. notified the Company about the exercise of its right to swap its entire interest in Sendas Distribuidora with preferred shares of the Company. This share swap right would prevail if final decision on the arbitration proceeding filed by Sendas S.A at October 19, 2005 were unfavorable to Sendas S.A. The subject-matter of said arbitration proceeding was to recognize if the partnership between Diniz Group and Casino Group would represent a change of control, fact of which would enable to recognize the exercise of swap option of Sendas Distribuidora’s shares by Sendas S.A.

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

15. Investments - Continued

a) Breakdown of investments (continued)

(ii) Sendas (continued)

Acquisition of minority interest in Sendas Distribuidora (continued)

As at April 29, 2009, the Panel of Conciliation and Arbitration of FGV-RJ rendered an unfavorable decision to Sendas S.A., the swap of interest exercised at January 5, 2007 became legally valid, and as of this date, it is reasonable to define the swap option at the fair value.

As the fair value has been negotiated, under CPC 38 the Company's interim financial statements as of January 1, 2009 and for the fiscal year ended December 31, 2009 (including the full adoption of CPCs) reflected the exercise of swap option with Sendas S.A., estimated at R$128,096, by means of recognition of an equity instrument, determined by the number of preferred shares of CBD (3,566,000 shares) which would be delivered to Sendas S.A, using CBD's preferred share price on the exercise date of swap option, i.e., January 5, 2007.

Within this context, the Company fully consolidated Sendas Distribuidora in the interim financial statements of January 1, 2009 and December 31, 2009, not recognizing the corresponding non-controlling interest.

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR — Quarterly Financial Information - March 31, 2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

15. Investments - Continued

a) Breakdown of investments (continued)

(ii) Sendas (continued)

Acquisition of minority interest in Sendas Distribuidora (continued)

Sendas S.A. and Barcelona Comércio Varejista e Atacadista S.A. (Company’s subsidiary) entered into a Stock Purchase Agreement and Other Covenants, according to which Sendas Distribuidora’s shares held by Sendas S.A. may be transferred to Barcelona Comércio Varejista e Atacadista S.A. This minority interest acquisition was approved by the Board of Directors of CBD, however, this transaction is subject to approval of the Company's shareholders' general meeting, which is a suspensive condition for the operation to be valid. Once met this condition, Sendas S.A. will transfer to Barcelona Comércio Varejista e Atacadista S.A. its entire interest in Sendas Distribuidora, currently corresponding to 42.57% of the capital stock for R$377,000 to be paid as follows: R$59,000 upon the transfer of shares and the remaining amount of R$318,000 in 6 annual and consecutive installments of R$53,000, the first installment shall mature in July 2011, adjusted by IPCA (Extended Consumer Price Index) as of the fourth installment, and as July to December 2010 as reference basis. This present value of obligation assumed at March 31, 2011 is R$331,327 (R$324,350 at December 31, 2010).

Consolidated	**03.31.2011**	**12.31.2010**
Interest acquisition in Assai (i)	**15,035**	188,194
Interest acquisition in Sendas Distribuidora (ii)	**272,327**	324,350
	287,362	512,544
Current liabilities	**62,850**	297,484
Non-current liabilities	**224,512**	215,060

I. Accounts payable due to the acquisition of non-controlling interest in Assai, subsidiary that operates in the “cash and carry” segment for the Group. The accounts payable will be settled in 2011.

II. Accounts payable due to the acquisition of non-controlling interest in Sendas Distribuidora, which will be settled in 6 annual installments, and the last amortization will take place in December 2017.

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

16. Business combinations and acquisition of minority interest

a) Association with Nova Casa Bahia

Context of the partnership

At December 4, 2009, Casas Bahia Comercial Ltda. ("CB") and GPA entered into a Partnership Agreement ("Partnership Agreement") aiming at merging their retail trade of durable goods and electronic commerce of durable goods businesses.

At February 3, 2010 the parties signed a Provisional Agreement for the Maintenance of Operation Reversibility (“APRO”) with the Administrative Council for Economic Defense (“CADE”), which determined that the following actions to be taken: (i) maintenance of “Casas Bahia” and “Ponto Frio” brands, as well as separate advertising campaigns, ensuring investments in propaganda and marketing at levels compatible with previous fiscal years, except for the assumptions resulting from the economic scenario; (iii) the maintenance of stores existing in 146 cities where both “Casas Bahia” and “Ponto Frio” are located; (iii) maintenance of respective warehouses and the Bartira’s furniture plant; (iv) maintenance of respective loan policies; and (v) maintenance of separate procurement structures and their commercial contractual instruments, even though they may jointly operate in this segment. Except for these specific conditions, both Globex and NCB may adopt the measures necessary to merge their activities and capture the synergies resulting from this operation. This present operation is pending approval from CADE.

At July 1, 2010, NCB’s shareholders entered into an addendum to the Partnership Agreement, in which the parties reviewed certain conditions of the partnership, as well as defined the actions required for their implementation.

As a preliminary phase of this businesses merger, at October 1, 2010, the operating assets of CB were transferred to NCB through a partial spin-off. This transfer included an equity interest of 25% in Bartira (remainder 75% still under the possession of CB).

Thus, as of October 1, 2010, NCB now operates under the "Casas Bahia” brand, which operates in 11 Brazilian states and in the Federal District, represented by 526 stores and 8 warehouses, selling a wide range of electronic products, home appliances and devices, such as furniture, electronic toys, office supplies, mobile phones, computers and accessories.

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

16. Business combinations and acquisition of minority interest - Continued

a) Association with Nova Casa Bahia (continued)

Context of the partnership (continued)

At November 9, 2010, as a preparatory phase of the process to merge NCB's shares into Globex, CDB centralized the retail trade of durable goods and the electronic commerce of durable goods in Globex.

Thus, the Company injected capital into its subsidiary Globex, used in this specific transaction as intervening party and of the consideration transferred to the acquisition, in the following amount: (i) net assets from the Company's electronic products operations, established by the "Extra-Eletro" brand, in the amount of R$89,826; (ii) financial investments of R$290,143; and (iii) receivables between the Company's subsidiaries, in the amount of R$375,550.

As a final phase of the process to merge the retail trade of durable goods, at November 9, 2010, all NCB's shares were merged into the capital of Globex at the carrying amount, thus, as of that date, NCB became a wholly-owned subsidiary and CBD's control was maintained. As a result of the share merger, GPA diluted its direct interest in Globex, now holding 52.41% of its capital stock, but maintaining the control of operating and financial decisions pertaining to Globex and its subsidiaries.

The share swap ratio was based on an economic valuation of NCB and Globex, at the reference date of June 30, 2010, duly supported by reports drafted by a specialized company.

Determination of the consideration transferred due to the takeover of NCB

With capital contributions established and as part of the merger process of NCB's shares into the shareholders' equity of Globex, GPA transferred approximately 47% of its entire investment in Globex to CB, which is determined as total consideration transferred for the takeover of NCB ("total consideration transferred").

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR — Quarterly Financial Information - March 31, 2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO	**Version: 1**

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

16. Business combinations and acquisition of minority interest - Continued

a) Association with Nova Casa Bahia (continued)

Determination of the consideration transferred due to the takeover of NCB (continued)

Since Globex is a publicly held company, with its shares quoted and traded on the organized market (Bovespa) by independent purchasers and sellers and experts in electric/electronic products segment, for accounting purposes, the fair value of the consideration transferred was determined by the final price of Globex's common share traded on Bovespa at November 9, 2010, as follows:

	12.31.2010
Number of common shares held by CBD, corresponding to a 98.77% interest	168,927,975
Globex common share quote at November 9, 2010 - R$	15.00
Market value (Bovespa) of investment in Globex – 98.77%	2,533,920
47% of market value of investment in Globex assigned to CB's shareholders	1,193,082
Fixed mandatory dividends to Bartira's shareholders (i)	6,069
Assets received from CB considered as consideration transferred:	
Call option for controlling interest in Bartira, net of income and social contribution taxes(ii)	(274,563)
Non-controlling interest over assets received (v)	130,571
Value of total consideration transferred	1,055,159

(i) According to the Partnership Agreement, Bartira will disproportionally distribute mandatory dividends to its shareholders, in order to ensure that CB receives a total of R$12 million as dividends in the next three years. This mandatory minimum dividend that Bartira shall pay to the Klein family, as a disproportional sharing was considered according to CPC 15 and IFRS 3R, as part of the total consideration transferred for takeover of NCB;

(ii) Furniture supply agreement with Bartira: NCB has an exclusive supply agreement with Bartira. This agreement holds profitable conditions to NCB in the acquisition of furniture compared to the margins established in the sector. The amount was defined using information on comparable transactions in the market;

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR — Quarterly Financial Information - March 31, 2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

16. Business combinations and acquisition of minority interest - Continued

a) Association with Nova Casa Bahia (continued)

Determination of the consideration transferred due to the takeover of NCB (continued)

(iii) Profitable property lease agreement signed with CB: this refers to CB's properties, which include stores, warehouses and buildings. Yhe assets where deemed of operating leases by NCB. This the balance was measured according to information on comparable transactions in the market;

(iv) Fair value of Bartira's call option: the parties granted through the Partnership Agreement, call and put options for the interests held by GPA and CB in Bartira. The conditions are defined as follows:

- During the lock-up period defined in the Partnership Agreement as 36 months, NCB is eligible to sell is 25% interest in Bartira's capital stock for one real (R$1.00);

- During the period from the end of the lock-up period and the end of the 6th year of the agreement, NCB may acquire the remaining 75% interest in the capital stock of Bartira, currently held by CB, for a total of R$175,000, adjusted by IPCA (Extended Consumer Index Price);

- Should NCB do not exercise the aforementioned call option at the end of the 6th year, CB shall have to acquire the 25% interest from NCB for a total of R$58,500, adjusted by IPCA;

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

16. Business combinations and acquisition of minority interest - Continued

a) Association with Nova Casa Bahia (continued)

Fair values of acquired identifiable assets and liabilities (continued)

The fair values of identifiable assets and liabilities acquired from NCB, on the date of business combination were as follows:

	IFRS – opening	**(i) Fair value of**	**(ii) "Casas Bahia"**	**(iii) Commercial**	**Balance after**

	balance	**investment held in Bartira**	**banner**	**rights**	**(iv) Supply agreement in favorable conditions**	**(iii) Lease agreement in favorable conditions**	**provisional allocation of purchase price**
Assets							
Cash and cash equivalents	64,957	-	-	-	-	-	64,957
Marketable securities	586,536	-	-	-	-	-	586,536
Trade accounts receivable	2,434,960	-	-	-	-	-	2,434,960
Inventories	1,360,420	-	-	-	-	-	1,360,420
Recoverable taxes	269,352	-	-	-	-	-	269,352
Deferred income tax	142,342	(46,770)	(549,242)	(136,344)	(47,971)	(87,075)	(725,060)
Prepaid expenses	58,498	-	-	-	-	-	58,498
Other	268,059	-	-	-	-	-	268,059
Investments in associates	-	137,560	-	-	-	-	137,560
Property and equipment	570,889	-	-	-	-	-	570,889
Intangible assets	57,217	-	1,615,417	401,011	141,092	256,103	2,470,840
	5,813,230	90,790	1,066,175	264,667	93,121	169,028	7,497,011
Liabilities							
Trade accounts payable	(1,063,178)	-	-	-	-	-	(1,063,178)
Debt	(1,438,859)	-	-	-	-	-	(1,438,859)
Taxes payable	(448,565)	-	-	-	-	-	(448,565)
Deferred revenues	(230,637)	-	-	-	-	-	(230,637)
Provision for contingencies	(33,796)	-	-	-	-	-	(33,796)
Other	(1,405,165)	-	-	-	-	-	(1,405,165)
	(4,620,200)	-	-	-	-	-	(4,620,200)
Net assets	1,193,030	90,790	1,066,175	264,667	93,121	169,028	2,876,811

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

16. Business combinations and acquisition of minority interest - Continued

a) Association with Nova Casa Bahia (continued)

Determination of the consideration transferred due to the takeover of NCB (continued)

(i) Fair value of investment held in Bartira (25%): it refers to the measurement of fair value of the investment currently held by NCB of 25% of Bartira's capital stock. It was measured by EBITDA multiples, obtained from market players.

(ii) "Casas Bahia" brand: Casas Bahia is a traditional, well recognized brand in the Brazilian retail trade and is considered one of the most valuable brands, according to specialized brand valuation companies. Considering the strength and recognition of this brand, a market participant should not discontinue it. Its measurement was based on the royalties relief methodology, which represents the remuneration practiced by the market for using the brand, if it were not acquired;

(iii) Commercial rights: points-of-sale, many of them are located in very busy and large shopping centers. Usually, shopping centers and street stores charge fees related to the assignment for the right to use the point-of-sale when this asset is transferred. These are measured according to information on comparable transactions in the market;

No contingent liabilities or assets were identified and recognized on the acquisition date, and even if positive, this would be Indemnified by CB or GPA, where applicable.

The fair value of the non-controlling interest was measured applying the interest, through the fair value of identifiable net assets of NCB on the business combination date, as follows:

	12.31.2010
Fair value of acquired net assets	2,614,662
Non-controlling interest	47.56%
Non-controlling interest – measured by the proportional amount method at fair value of acquired net assets	1,243,533

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

16. Business combinations and acquisition of minority interest - Continued

a) Association with Nova Casa Bahia (continued)

Gains due to bargain purchase

As a result of: (i) measurement of the total consideration transferred due to takeover of NCB; (ii) measurement of non-controlling interest; and (iii) measurement of identifiable assets and liabilities at fair value, the Company verified on an accounting basis a gain due to bargain price acquisition in the amount of R$453,569, recognized in the statement of income for the fiscal year ended December 31, 2010, under Other operating expenses as follows:

	12.31.2010
Total consideration transferred due to takeover of NCB	(917,699)
Non-controlling interest – measured by the proportional amount method at fair value of acquired net assets	(1,243,394)
Fair value of acquired net assets	2,614,662
Gain due to profitable purchase resulting from takeover of NCB	453,569

According to the accounting practices adopted in Brazil and international accounting standards issued by CPC 15 and IFRS 3R, the 47% interest in the capital stock of Globex assigned to CB as total consideration transferred shall be measured at fair value on the business combination date. Also referring to this standard, this measurement at fair value shall be guided by certain hierarchy, which requires that if shares are quoted on the organized market, they shall be regularly traded on an arm's length transaction and share quote shall be the information to be used in the measurement of the fair value of investment assigned as part of the total consideration transferred.

Thus, when Globex's common shares quote was used to calculate the total consideration transferred, the gain due to profitable purchase was determined and duly recognized in the Company's interim financial statements.

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

16. Business combinations and acquisition of minority interest - Continued

a) Association with Nova Casa Bahia (continued)

Gains due to bargain purchase (continued)

The referred gain obtained is justifies for CB mainly due to extremely positive future developments deriving from this partnership with GPA. This partnership will allow to NCB better accesses to financing and synergies in all areas, such as: trade, logistics, administrative and financial areas, among others.

In addition, the partnership with CB will position Globex into a new business level, thus, allowing higher nationwide coverage, scale gains and other benefits to be converted into the benefit of our customers and employees, which will possibly result in a more attractive future profitability, and accordingly, the appreciation of shares held by CB. With 47% interest in Globex, CB will continue actively participating in this operation, whether in the direct management or through the Board of Directors.

Subsequent measurement – provisional allocation of purchase price

The NCB takeover was accounted for according to the method of acquisition, pursuant to IFRS 3R and CPC 15. The Company did not obtain a final evaluation of the acquired net asset fair value, so that to conclude that the evaluation of gain due to profitable purchase, referring to the NCB takeover.

In compliance with IFRS 3R and CPC 15, the Company will conclude the collection of data and the evaluation of acquired net asset fair value, as well as the consideration transferred in 2011 over 12 months as of the business combination date.

The costs of the transactions, totaling R$100,100 were treated as expense and included in other operating expenses.

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR — Quarterly Financial Information - March 31, 2011 – COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Version: 1

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

17. Debt

(i) Breakdown of debt

		Parent Company	
	Note	**03.31.2011**	**12.31.2010**
Debentures			
Debentures	17c	508,049	523,574
Swap contracts	17a	625	598
Funding fees		(3,239)	(3,497)
		505,436	520,675
Local currency			
BNDES	17b	52,392	39,099
Financial lease	20	19,834	20,789
Swap contracts	17a		(3)
Funding fees		(4,538)	(4,525)
Anticipation of receivables		-	249,997
		67,688	55,357

Foreign currency			
Working capital	17a	359,066	366,592
Swap contracts	17a	55,665	35,778
Funding fees		(328)	(372)
		414,404	401,998
Total current		987,528	1,228,030

		Consolidated	
	Note	**03.31.2011**	**12.31.2010**
Debentures			
Debentures	17c	508,049	523,574
Swap contracts	17a	625	598
Funding fees		(3,239)	(3,497)
		505,436	520,675
Local currency			
BNDES	17b	91,710	80,905
Working capital	17a	1,841,986	1,604,525
Financial lease	20	65,425	71,277
Swap contracts			(439)
Funding fees		(6,788)	(6,770)
Anticipation of receivables		-	249,997
		1,992,333	1,999,495
Foreign currency			
Working capital	17a	815,561	414,140
Swap contracts	17a	120,040	43,856
Funding fees		(830)	(661)
		934,770	457,335
Total current		3,432,539	2,977,505

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Explanatory Notes

Companhia Brasileira de Distribuição

Notes to the interim financial statements

March 31, 2011

(In thousands of Reais, except when otherwise stated)

17. Debt - Continued

(i) Breakdown of debt (continued)

		Parent Company	
	Note	**03.31.2011**	**12.31.2010**
Debentures			
Debentures	17d	1,458,310	1,075,538
Funding fees		(7,311)	(8,066)
		1,450,999	1,067,472
Local currency			
Working capital	17a	1,013,870	703,049
Financial lease	20	61,538	66,129
Swap contracts	17a	19,603	7,967

Funding fees		(8,358)	(9,486)
		1,463,384	1,125,712
Foreign currency			
Working capital	17a	291,113	296,147
Swap contracts	17a	48,865	35,055
Funding fees		(353)	(426)
		339,625	330,776
Total noncurrent		3,254,008	2,523,960

		Consolidated	
	Note	**03.31.2011**	**12.31.2010**
Debentures			