

BRAZILIAN DISTRIBUTION CO COMPANHIA BRASILEIRA DE DISTR CBD

Form 6-K

October 17, 2013

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## FORM 6-K

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

### Report of Foreign Private Issuer

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

For the month of October, 2013

Brazilian Distribution Company

(Translation of Registrant's Name Into English)

Av. Brigadeiro Luiz Antonio,  
3142 São Paulo, SP 01402-901

Brazil

(Address of Principal Executive Offices)

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

Form 20-F  Form 40-F

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

Yes  No

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

Yes  No

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

Yes  No

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## 3Q13 Earnings Release

**São Paulo, Brazil, October 16, 2013** - **GPA** [BM&FBOVESPA: PCAR4 (PN); NYSE: CBD] and **Via Varejo** [BM&FBOVESPA: VVAR3] announce their results for the third quarter of 2013 (3Q13). The results are presented in the segments as follows: **GPA Food**, formed by supermarkets (Pão de Açúcar, Extra Supermercado and PA Delivery), hypermarkets (Extra Hiper), neighborhood stores (Minimercado Extra), cash-and-carry stores (Assaí), GPA Malls & Properties, gas stations and drugstores; and **GPA Consolidated**, formed by GPA Food and Viavarejo (Casas Bahia and Pontofrio bricks and mortar stores) and Nova Pontocom's e-commerce operations (e-commerce operations of Pontofrio.com.br, Extra.com.br, Casasbahia.com.br, Barateiro.com, PartiuViagens.com.br, and Atacado Pontofrio). Further information on the results of the subsidiary Via Varejo S.A. can be found in its respective earnings release disclosed on this date.

### GPA Consolidated

**Strong gross revenue growth of 15.0%, with acceleration compared to the 1<sup>st</sup> half 2013**  
**Net income increase of 69.8%, totaling R\$ 357 million**

- ◆ Gross revenue reached R\$15.720 billion. Growth in the same-store concept was 10.8%, with 7.9% growth in the food category and 13.1% growth in the non-food category;
- ◆ EBITDA of R\$1.036 billion, with EBITDA margin of 7.4%, 90 basis points higher than in 3Q12.
- ◆ Selling, general and administrative expenses as a percentage of net revenue decreased from 19.8% in 3Q12 to 19.2% in 3Q13;
- ◆ Net income totaled R\$357 million, up 69.8%. Net margin increased from 1.7% in 3Q12 to 2.5% in 3Q13.

### GPA Food

**EBITDA grew 14.1% for margin of 7.1%**

§ Gross revenue of R\$8.448 billion, up 12.9%. Growth in the same-store concept was 7.1%;

§ EBITDA of R\$546 million, with margin of 7.1%, the same level as in 3Q12, despite the increase in the share of Assaí in gross sales (from 16.9% in 3Q12 to 20.6% in 3Q13);

§ Selling, general and administrative expenses as a percentage of net revenue decreased from 18.6% in 3Q12 to 17.4% in 3Q13.

(R\$ million) <sup>(1)</sup>	GPA Consolidated						GPA Food (proj)
	3Q13	3Q12	Δ	9M13	9M12	Δ	3Q13
<b>Gross Revenue</b>	15,720	13,666	15.0%	45,624	40,837	11.7%	8,448
<b>Net Revenue</b>	14,077	12,155	15.8%	40,843	36,340	12.4%	7,744
Gross Profit	3,721	3,191	16.6%	10,805	9,664	11.8%	1,890
<b>Gross Margin</b>	<b>26.4%</b>	<b>26.3%</b>	<b>10bps</b>	<b>26.5%</b>	<b>26.6</b>	<b>10bps</b>	<b>24.4%</b>
EBITDA	1,036	795	30.4%	2,507	2,371	5.7%	546
<b>EBITDA Margin (2)</b>	<b>7.4%</b>	<b>6.5%</b>	<b>90bps</b>	<b>6.1%</b>	<b>6.5</b>	<b>40bps</b>	<b>7.1%</b>
Net Financial Revenue (Expenses)	(312)	(272)	14.6%	(866)	(892)	3.0%	(132)
<b>% of Net Revenue</b>	<b>2.2%</b>	<b>2.2%</b>	<b>0bps</b>	<b>2.1%</b>	<b>2.5</b>	<b>40bps</b>	<b>1.7%</b>
Company's Net Profit	357	210	69.8%	709	617	14.8%	176
<b>Net Margin</b>	<b>2.5%</b>	<b>1.7%</b>	<b>80bps</b>	<b>1.7%</b>	<b>1.7</b>	<b>0bps</b>	<b>2.3%</b>

(1) Totals and percentage changes are rounded off and all margins were calculated as percentage of net revenue.

(2) Earnings before interest, taxes, depreciation and amortization.

For better comparability of results, the tables and comments related to 9M12 results do not include the results of the real estate projects implemented by the Company in partnership with construction companies, which generated non-recurring revenue of R\$98 million in 2Q12.

### Sales Performance

(R\$ million)	Gross Revenue						Net Revenue				
	3Q13	3Q12	Δ	9M13	9M12	Δ	3Q13	3Q12	Δ	9M13	9M12
<b>GPA Consolidated (ex real estate projects)</b>	15,720	13,666	15.0%	45,624	40,739	12.0%	14,077	12,155	15.8%	40,843	36,240
<b>GPA Food (ex real estate projects)</b>	8,448	7,484	12.9%	24,581	22,193	10.8%	7,744	6,761	14.5%	22,448	20,000
<b>Retail</b>	6,711	6,219	7.9%	19,858	18,656	6.4%	6,147	5,606	9.6%	18,112	16,800
<b>Cash and Carry</b>	1,738	1,265	37.4%	4,723	3,538	33.5%	1,598	1,155	38.4%	4,336	3,230
<b>Viavarejo</b>	7,272	6,182	17.6%	21,043	18,546	13.5%	6,333	5,394	17.4%	18,395	16,200
<b>Bricks and mortar</b>	6,062	5,341	13.5%	17,820	15,974	11.6%	5,258	4,630	13.6%	15,513	13,800
<b>Nova Pontocom</b>	1,210	841	43.9%	3,224	2,572	25.3%	1,075	764	40.7%	2,882	2,340
<b>Real Estate Projects</b>	-	-	-	-	98	-	-	-	-	-	98

### Gross 'Same Store' Sales

	3Q13	9M13
	10.8%	8.3%
<b>By category</b>		
<b>Food</b>	7.9%	7.4%
<b>Non food</b>	13.1%	8.9%
<b>By bussiness</b>		
<b>GPA Food</b>	7.1%	5.7%
<b>Viavarejo<sup>(1)</sup></b>	15.4%	11.3%

(1) Includes total sales of Nova Pontocom.

**Consolidated gross revenue was R\$15.720 billion**, up 15.0%, driven by the opening of 132 stores in the last 12 months, **20 of them in the last quarter**, as well as by the 10.8% growth in same-store sales, as detailed below:

ü**Food Category: growth of 7.9%**, driven mainly by perishables: meat, fruits, legumes and vegetables. This growth, which surpassed the IPCA inflation index in 200 basis points, represents an upturn on the 1<sup>st</sup> half of the year.

ü**Non-food: growth of 13.1%**, driven by sales of technology products: cell phones, tablets and TV sets, with growth across all formats operated by the Group. Specialty stores (Pontofrio and Casas Bahia) and e-commerce accelerated the pace of sales in comparison with previous periods, while Hypermarkets continued to register the sales recovery in this category.

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**In the last 9 months**, gross sales increased 12.0% compared to the same period last year, to R\$45.624 billion. Growth in the same-store basis was 8.3%.

### **GPA Food Highlights**

**Gross revenue reached R\$8.448 billion, up 12.9%**, driven by the performance of the Assaí banner, which continued to post double-digit growth (37.4%). On a same-store basis, growth was 7.1%. A total of 15 stores were delivered in the period, of which 12 Minimercado, two Assaí and one Pão de Açúcar.

**Assaí's focus in the 2<sup>nd</sup> half of the year has been on expanding in states where it is already present.** Over the last nine months, a total of eight stores were opened, five of them in new states, whose sales exceeded our expectations. At least five stores should be delivered by the year-end.

**The Company has been investing in price competitiveness to increase store traffic and gain market share in the retail segment.** The strategy should last through the coming periods. The non-food category in the Hypermarket format continued the sales recovery trend, driven by the successful marketing campaigns in the electronics category.

## Viavarejo Highlights

**Gross revenue totaled R\$7.272 billion, increasing by 17.6% over 3Q12.** Sales growth accelerated during one more quarter across all businesses: brick-and-mortar stores and e-commerce, with a gain in market share during the period. Five new stores were opened. Same-store sales growth reached 15.4%. Additionally, 31 new stores were opened in the last 12 months.

**Brick and mortar stores** posted same-store sales growth of 10.8%, driven mainly by technology products, especially cell phones, tablets and TV sets.

**Nova Pontocom** posted gross revenue growth of 43.9%, mainly due to higher customer traffic, better conversion rate and Father's Day strong sales, celebrated in August. The results of Nova Pontocom in 3T13 were close to the break-even point and the investments in price competitiveness were sustained by the savings generated in process review and expenses reductions.

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## Operating Performance

(R\$ million)	GPA Consolidated (ex. real estate projects)					
	3Q13	3Q12	Δ	9M13	9M12	Δ
<b>Gross Revenue</b>	15,720	13,666	15.0%	45,624	40,739	12.0%
<b>Net Revenue</b>	14,077	12,155	15.8%	40,843	36,242	12.7%
<b>Gross Profit</b>	3,721	3,191	16.6%	10,805	9,566	12.9%
<b>Gross Margin</b>	26.4%	26.3%	10bps	26.5%	26.4%	10bps
Selling Expenses	(2,330)	(2,032)	14.7%	(6,867)	(6,130)	12.0%
General and Administrative Expenses	(375)	(370)	1.3%	(1,142)	(1,223)	-6.6%
Equity Income	16	10	60.9%	28	12	139.0%
Other Operating Revenue (Expenses)	(16)	(25)	-36.6%	(374)	(14)	-
<b>Total Operating Expenses</b>	(2,705)	(2,418)	11.9%	(8,355)	(7,355)	13.6%
<b>% of Net Revenue</b>	19.2%	19.9%	-70bps	20.5%	20.3%	20bps
Depreciation (Logistic)	21	21	-4.4%	57	62	-7.7%
<b>EBITDA <sup>(1)</sup> <sub>(2)</sub></b>	1,036	795	30.4%	2,507	2,273	10.3%

<b>EBITDA Margin</b>	7.4%	6.5%	90bps	6.1%	6.3%	-20bps
<b>Adjusted EBITDA <sup>(3)</sup></b>	1,052	820	28.3%	2,882	2,287	26.0%
<b>Adjusted EBITDA Margin</b>	7.5%	6.7%	80bps	7.1%	6.3%	80bps

(1) As of 4Q12, the result of Equity Income and Other Operating Income (Expenses) were included along with Total Operating Expenses in the calculation of EBITDA. Thus, the calculation of EBITDA complies with Instruction 527 dated October 4, 2012, issued by the Securities and Exchange Commission of Brazil (CVM).

(2) As of 1Q13, the depreciation recognized as cost of goods sold, essentially consisting of the depreciation of distribution centers, began to be specified in the calculation of EBITDA.

(3) As of 2Q13, the Company adjusted EBITDA by excluding the Other Operating Revenue (Expenses).

The Company's gross margin increased 10 basis points, due to the increased margin at Viavarejo, which was practically offset by investments in price competitiveness in food retail and the opening of Assaí stores.

**Selling, general and administrative expenses increased at a slower pace than revenue growth**, mainly due to the simplification of processes at GPA Food and synergy gains at Viavarejo. The ratio of selling, general and administrative expenses to net revenue decreased from 19.8% in 3Q12 to 19.2% in 3Q13.

EBITDA totaled R\$1.036 billion, **up 30.4% over the same period last year. EBITDA margin was 7.4%, expanding by 90 basis points over 3Q12.**

In 9M13, EBITDA stood at R\$2.507 billion, with margin of 6.1%. Note that in 2Q13 the Company recorded other operating income and expenses of R\$350 million, as mentioned in the Earnings Release. **Adjusted EBITDA, excluding other operating income and expenses, came to R\$2.882 billion, with margin of 7.1%.**

### Food Retail (Extra and Pão de Açúcar)

(R\$ million)	Food Retail (ex. real estate projects)					
	3Q13	3Q12	Δ	9M13	9M12	Δ
Gross Revenue	6,711	6,219	7.9%	19,858	18,656	6.4%
Net Revenue	6,147	5,606	9.6%	18,112	16,807	7.8%
Gross Profit						