

BRAZILIAN DISTRIBUTION CO COMPANHIA BRASILEIRA DE DISTR CBD

Form 6-K

December 12, 2014

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Report of Foreign Private Issuer

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

For the month of December, 2014

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

COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Corporate Taxpayers' Registry (CNPJ/MF) No. 47.508.411/0001-56

Registry of Commerce (NIRE) No. 35.300.089.901

São Paulo, December 11, 2014

**MANAGEMENT PROPOSAL FOR THE SPECIAL SHAREHOLDERS' MEETING TO BE HELD ON
DECEMBER 29 2014**

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MANAGEMENT PROPOSAL

To all Shareholders:

The management of **COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO** (“**CBD**” or “**Company**”), under Law No. 6404, dated December 15, 1976, as amended from time to time (“**Brazilian Corporations Act**”), and under CVM Instruction No. 481, dated December 17, 2009, as amended from time to time (“**ICVM 481/09**”), hereby submits this proposal (“**Proposal**”) to you, as you will be gathered at a special shareholders’ meeting to be held on December 29, 2014, at 10:00 a.m., at the Company headquarters, located at Avenida Brigadeiro Luís Antônio, 3142, sala 1 [room], in the Capital city of the State of São Paulo (“**SSM**”).

1. OBJECT

The purpose of this Proposal is to define the terms and conditions relative to the transaction necessary to conduct the corporate restructuring of the economic group to which the Company belong, which consists in the merger of the Subsidiaries (as defined below) into CBD (the “**Merger**”), upon the subsequent closing of the Subsidiaries, which shall cease to exist.

2. MERGER TRANSACTION

The proposed transaction consists in the Merging of the following companies, which on the date of the Merger shall be wholly owned by CBD (the “**Subsidiaries**” or “**Merged Companies**”), into CBD:

(i). VEDRA EMPREENDIMENTOS E PARTICIPAÇÕES S/A, a closely-held Corporation, with registered office in the Capital city of São Paulo, at Av. Brigadeiro Luis Antônio, 3.172, 1º andar [floor], Jardim Paulista [District], CEP [zip code] 01402-901, enrolled with the Corporate Taxpayers’ Registry (CNPJ/MF) under No. 07.170.941/0001-12, with its organizational documents duly registered with the Registry of Commerce of the State of São Paulo (“**JUCESP**”) under NIRE 35.300.320.565 (“**Vedra**”);

(ii). GPA 4 EMPREENDIMENTOS E PARTICIPAÇÕES S/A, a closely-held Corporation, with registered office in the Capital city of São Paulo, at Av. Brigadeiro Luis Antônio, 3.172, 3º andar [floor], Jardim Paulista [District], CEP [zip code] 01402-901, enrolled with the Corporate Taxpayers’ Registry (CNPJ/MF) under No.

11.732.612/0001-95, with its organizational documents duly registered with the Registry of Commerce of the State of São Paulo (“JUCESP”) under NIRE 35.300.376.226 (“GPA 4”);

(iii). ECQD PARTICIPAÇÕES LTDA., a Brazilian Limited Liability Company with registered office in the Capital city of São Paulo, at Av. Brigadeiro Luis Antônio, 3.172, Jardim Paulista [District], CEP [zip code], 01402-901, enrolled with the Corporate Taxpayers’ Registry (CNPJ/MF) under No. 07.707.968/0001-00, with its organizational documents duly registered with the Registry of Commerce of the State of São Paulo (“JUCESP”) under NIRE 35.225.840.781 (“ECQD”);

- (iv). API SPE 06 - PLANEJAMENTO E DESENVOLVIMENTO DE EMPREENDIMENTOS IMOBILIÁRIOS LTDA., a Brazilian Limited Liability Company with registered office in the Capital city of São Paulo, at Av. Brigadeiro Luis Antônio, 3.172, 3º andar [floor], Jardim Paulista [District], CEP [zip code] 01402-901, enrolled with the Corporate Taxpayers' Registry (CNPJ/MF) under No. 08.799.584/0001-19, with its organizational documents duly registered with the Registry of Commerce of the State of São Paulo ("JUCESP") under NIRE 35.221.176.453 ("API SPE 06");
- (v). GPA 5 EMPREENDIMENTOS E PARTICIPAÇÕES S/A, a closely-held Corporation, with registered office in the Capital city of São Paulo, at Av. Brigadeiro Luis Antônio, 3.172, 3º andar [floor], Jardim Paulista [District], CEP [zip code] 01402-901, enrolled with the Corporate Taxpayers' Registry (CNPJ/MF) under No. 11.732.615/0001-29, with its organizational documents duly registered with the Registry of Commerce of the State of São Paulo ("JUCESP") under NIRE 35.300.376.234 ("GPA 5");
- (vi). MONTE TARDELI EMPREENDIMENTOS E PARTICIPAÇÕES S/A, a closely-held Corporation, with registered office in the Capital city of São Paulo, at Av. Brigadeiro Luis Antônio, 3.172, 3º andar [floor], Jardim Paulista [District], CEP [zip code] 01402-901, enrolled with the Corporate Taxpayers' Registry (CNPJ/MF) under No. 11.561.904/0001-02, with its organizational documents duly registered with the Registry of Commerce of the State of São Paulo ("JUCESP") under NIRE 35.300.375.769 ("Monte Tardeli");
- (vii). P.A. PUBLICIDADE LTDA., a Brazilian Limited Liability Company with registered office in the Capital city of São Paulo, at Alameda Lorena, 16, 9º andar [floor], Jardim Paulista [District], CEP [zip code] 01424-000, enrolled with the Corporate Taxpayers' Registry (CNPJ/MF) under No. 04.565.015/0001-58, with its organizational documents duly registered with the Registry of Commerce of the State of São Paulo ("JUCESP") under NIRE 35.217.028.763 ("PAPU");
- (viii). VANCOUVER EMPREENDIMENTOS E PARTICIPAÇÕES LTDA., a Brazilian Limited Liability Company with registered office in the Capital city of São Paulo, at Avenida Brigadeiro Luis Antônio, 3.172, 2º andar [floor], Jardim Paulista [District], CEP [zip code] 01402-901, enrolled with the Corporate Taxpayers' Registry (CNPJ/MF) under No. 07.145.976/0001-00, with its organizational documents duly registered with the Registry of Commerce of the State of São Paulo ("JUCESP") under NIRE 35.219.661.536 ("Vancouver"); and
- (ix). DUQUE CONVENIÊNCIAS LTDA., a Brazilian Limited Liability Company with registered office in the Capital city of São Paulo, at Rua Joaquim Carlos, 1358/1380, Loja 03 [Store], Centro [District], CEP [zip code] 03019-000, enrolled with the Corporate Taxpayers' Registry (CNPJ/MF) under No. 07.888.660/0001-08, with its organizational documents duly registered with the Registry of Commerce of the State of São Paulo ("JUCESP") under NIRE 35.219.994.861 ("Duque").

2.1. General Description of the Merger

The Merger involves companies belonging to the same economic group to which the Company belongs and which is part of a larger restructuring project of the group that aims to obtain substantive benefits of administrative, economic and financial character, particularly in view of the rationalization and simplification of the corporate structure of the group, which shall enable consolidating and reducing operational expenses and making feasible to capture operational and fiscal synergies of the companies belonging to the group.

2.2. Protocol

As stated in the Brazilian Corporations Act, the terms and conditions of the Merger shall be set forth in a protocol agreed on and executed between the management bodies or between the members of the companies involved.

The abovementioned protocol shall include the following information: (i) the net equity assessment criteria, the date of said assessment, and the treatment of the further equity variations; (ii) how rights and obligations will be transferred following the Merger; (iii) the corporate actions necessary to resolve on the Merger; and (iv) all the other conditions to which the transaction may be subject.

In addition to the protocol, the statutes require preparation of a justification of the transaction to be submitted to the shareholders' meeting concerning the companies involved, providing details on: (i) the reasons or purposes of the transaction, and the interest of the company therein; and (ii) the subsequent end of the Subsidiaries as a result of the Merger, without any increase in CBD's corporate capital, since CBD shall be the owner of the whole corporate capital of the Merged Companies on the date of the Merger.

In compliance with the statutory requirement, the managements of both the Company and the Subsidiaries executed the "Protocol and Justification of Merger of Subsidiaries into Companhia Brasileira de Distribuição", which outlines the terms and conditions and the justification of the Merger (the "Protocol") and which is an integral part of this Management Proposal under Annex I.

One should point out that the Protocol is available for all shareholders at the Company headquarters and on the respective webpages of the Company, the Brazilian Securities and Exchange Commission ("CVM"), and the commodities and futures exchanges BM&FBOVESPA S.A. – (Bolsa de Valores, Mercadorias e Futuros -

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“BM&FBOVESPA”), on the Internet.

2.3. Assessment Report

The assessment report relative to the Merged Companies' accounting net assets to be transferred to the Company ("Assessment Report"), as provided for under Article 226 of the Brazilian Corporations Act, was prepared by Magalhães Andrade (as defined below), an independent assessment company engaged by the Company management. According to corporate statutes, the hiring of Magalhães Andrade must be approved by the Company's shareholders and by the member and shareholder of the Merged Companies, as applicable, at a special shareholders' meeting or upon amendment to the articles of organization.

As per the Assessment Report, the amount of the net assets of the Merged Companies to be transferred to the Company, assessed on the base date of September 30, 2014, is one hundred six million, five hundred twenty-seven thousand, two hundred forty-four reals and eighteen cents (R\$106,527,244.18). One must observe that, under the Protocol, CBD shall absorb any equity variations occurred between the base date of the assessment and the effective date of the merger.

The Assessment Report is available to the shareholders at the Company headquarters and on the respective webpages of the Company, CVM and BM&FBOVESPA on the Internet.

2.4. Information on the Appraiser

The Company management, for purposes of Article 21 of ICVM 481/09, presents the following information on Magalhães Andrade S/S Auditores Independentes, enrolled with the Corporate Taxpayers' Registry (CNPJ/MF) under No. 62.657.242/0001-00, registered with CRC/SP under No. 2SP000233/O-3, with registered office in the city of São Paulo, State of São Paulo, at Avenida Brigadeiro Faria Lima, 1893, 6° andar [floor], Jardim Paulistano [District], CEP [zip code] 01452-001 ("Magalhães Andrade"), engaged to provide services as the company responsible for preparing the accounting assessment report relative to the Merger:

ü **Recommended appraiser.** For preparation of the assessment report of the accounting net assets of the Subsidiaries, the Company management recommended the services of the independent company Magalhães Andrade.

ü **Description of Magalhães Andrade's technical qualification.** The description of Magalhães Andrade's technical qualification to prepare the accounting assessment report is contained in Annex II attached hereto.

ü **Service Proposal Presented.** The service proposal presented by Magalhães Andrade to the Company is available for consultation by the Shareholders at the Company's headquarters.

ü **Relationship between Magalhães Andrade, the Company and Related Parties along the past three (3) years.**
No relevant relationship exists between Magalhães Andrade, the Company and Related Parties.

2.5. Merging of Subsidiaries

As a result of the Merger of the Subsidiaries into CBD, said Subsidiaries shall cease to exist and the corporate capital of CBD shall not be altered, since CBD shall be, on the date of the Merger, the holder of the total corporate capital of the Merged Companies.

2.6. Other applicable terms

The managements of the companies involved in the Merger shall be in charge of taking all of the actions, registrations and official annotations necessary for implementation thereof.

If approved, the Merger shall become effective as of December 31, 2014.

3. CORPORATE APPROVALS

This proposal was approved by the Company Board of Directors at a meeting held on December 11, 2014, as per the minutes of the meeting of the board of directors available to all shareholders at the Company's headquarters and on the respective webpages of the Company, CVM, and BM&FBOVESPA on the Internet.

4. MATTERS TO BE RESOLVED AT THE SSM

The following matters shall be resolved at the SSM:

- a. Ratification of the execution of the Protocol by the managements of both the Company and the Subsidiaries;
- b. Ratification of the hiring of Magalhães Andrade as specialized company which conducted the accounting assessment of the Subsidiaries' net equity on the base date of September 30, 2014, for purposes of the Merger;
- c. Approval of the Assessment Report;

d. Approval of the Merger; and

e. Should the matters above be approved, authorization for the Company managers to take all the actions necessary to enforce the resolutions proposed and approved by the Company's shareholders.

5. CONCLUSIONS

For the reasons above and according to the corporate law, the Company Bylaws and the provisions set forth in this Proposal, the Company management recommends that you approve the Merger at the Special Shareholders' Meeting of the Company, to be held on December 29, 2014, as well as all the other matters related thereto, as described in item 4 above.

The shareholders intending to be represented by proxies at the SSM herein called are asked to send the relevant documents making proof of their capacity of Company shareholders and the proxies at least seventy-two (72) hours before the time set for the Meeting to take place. The documents shall be sent to the Corporate Legal Department of the Company, at Avenida Brigadeiro Luis Antonio, 3.142, in this Capital City, with acknowledgment of receipt.

To conclude, the management states that this Proposal, the Assessment Report, the Protocol, the Material Fact, under CVM Instruction 319, dated Dec.03.1999, and the Call Notice for said SSM, are available for consultation at the Company's headquarters, on the respective webpages of the Company, CVM, and BM&FBOVESPA on the Internet.

São Paulo, December 11, 2014

THE MANAGEMENT

ANNEX I TO THE MANAGEMENT PROPOSAL

Protocol and Justification for the Merger of Subsidiaries with and into

Companhia Brasileira de Distribuição

By this private instrument,

(A) **Companhia Brasileira de Distribuição**, a publicly held corporation, organized and existing according to the laws of the Federative Republic of Brazil, with headquarters in the City of São Paulo, State of São Paulo, at Av. Brigadeiro Luis Antônio, No. 3.142, Jardim Paulista, Postal Code 01402-000, enrolled with the National Corporate Taxpayers Register of the Ministry of Finance (“CNPJ/MF”) under No. 47.508.411/0001-56 and with its acts of incorporation duly registered before the Board of Trade of São Paulo (“JUCESP”) under NIRE 35.300.089.901, hereinafter referred to as “CBD” or “Surviving Company”;

(B) **Vedra Empreendimentos e Participações S.A.**, a company organized and existing according to the laws of the Federative Republic of Brazil, with headquarters in the City of São Paulo, State of São Paulo, at Av. Brigadeiro Luis Antônio, No. 3.172, 1st floor, Jardim Paulista, Postal Code 01402-901, enrolled with the CNPJ/MF under No. 07.170.941/0001-12 and with its acts of incorporation duly registered before JUCESP under NIRE 35.300.320.565, hereinafter referred to as “Vedra”;

(C) **GPA 4 Empreendimentos e Participações S.A.**, a company organized and existing according to the laws of the Federative Republic of Brazil, with headquarters in the City of São Paulo, State of São Paulo, at Av. Brigadeiro Luis Antônio, No. 3.172, 3rd floor, Jardim Paulista, Postal Code 01402-901, enrolled with the CNPJ/MF under No. 11.732.612/0001-95 and with its acts of incorporation duly registered before JUCESP under NIRE 35.300.376.226, hereinafter referred to as “GPA 4”;

(D) **ECOD Participações Ltda.**, a limited liability company organized and existing according to the laws of the Federative Republic of Brazil, with headquarters in the City of São Paulo, State of São Paulo, at Av. Brigadeiro Luis Antônio, No. 3.172, Jardim Paulista, Postal Code 01402-901, enrolled with the CNPJ/MF under No. 07.707.968/0001-00 and with its acts of incorporation duly registered before JUCESP under NIRE 35.225.840.781, hereinafter referred to as “ECOD”;

(E) **API SPE 06 - Planejamento e Desenvolvimento de Empreendimentos Imobiliários Ltda.**, a limited liability company organized and existing according to the laws of the Federative Republic of Brazil, with headquarters in the City of São Paulo, State of São Paulo, at Av. Brigadeiro Luis Antônio, No. 3.172, 3rd floor, Jardim Paulista, Postal Code 01402-901, enrolled with the CNPJ/MF under No. 08.799.584/0001-19 and with its acts of incorporation duly registered before JUCESP under NIRE 35.221.176.453, hereinafter referred to as "**API SPE 06**";

(F) **GPA 5 Empreendimentos e Participações S/A**, a company organized and existing according to the laws of the Federative Republic of Brazil, with headquarters in the City of São Paulo, State of São Paulo, at Av. Brigadeiro Luis Antônio, No. 3.172, 3rd floor, Jardim Paulista, Postal Code 01402-901, enrolled with the CNPJ/MF under No. 11.732.615/0001-29 and with its acts of incorporation duly registered before JUCESP under NIRE 35.300.376.234, hereinafter referred to as "**GPA 5**";

(G) **Monte Tardeli Empreendimentos e Participações S/A**, a company organized and existing according to the laws of the Federative Republic of Brazil, with headquarters in the City of São Paulo, State of São Paulo, at Av. Brigadeiro Luis Antônio, No. 3.172, 3rd floor, Jardim Paulista, Postal Code 01402-901, enrolled with the CNPJ/MF under No. 11.561.904/0001-02 and with its acts of incorporation duly registered before JUCESP under NIRE 35.300.375.769, hereinafter referred to as **“Monte Tardeli”**;

(H) **P.A. Publicidade Ltda.**, a limited liability company organized and existing according to the laws of the Federative Republic of Brazil, with headquarters in the City of São Paulo, State of São Paulo, at Alameda Lorena, No. 16, 9th floor, Jardim Paulista, Postal Code 01424-000, enrolled with the CNPJ/MF under No. 04.565.015/0001-58 and with its acts of incorporation duly registered before JUCESP under NIRE 35.217.028.763, hereinafter referred to as **“PAPU”**;

(I) **Vancouver Empreendimentos e Participações Ltda.**, a limited liability company organized and existing according to the laws of the Federative Republic of Brazil, with headquarters in the City of São Paulo, State of São Paulo, at Av. Brigadeiro Luis Antônio, No. 3.172, 2nd floor, Jardim Paulista, Postal Code 01402-901, enrolled with the CNPJ/MF under No. 07.145.976/0001-00 and with its acts of incorporation duly registered before JUCESP under NIRE 35.219.661.536, hereinafter referred to as **“Vancouver”**; and

(J) **Duque Conveniências Ltda.**, a limited liability company organized and existing according to the laws of the Federative Republic of Brazil, with headquarters in the City of São Paulo, State of São Paulo, at Rua Joaquim Carlos, No. 1358/1380, Store 03, Centro, Postal Code 03019-000, enrolled with the CNPJ/MF under No. 07.888.660/0001-08 and with its acts of incorporation duly registered before JUCESP under NIRE 35.219.994.861, hereinafter referred to as **“Duque”**;

Vedra, GPA 4, ECQD, API SPE 06, GPA 5, Monte Tardeli, PAPU, Vancouver and Duque, hereinafter referred to, individually, as **“Merged Company”** or **“Subsidiary”** and, jointly, as **“Merged Companies”** or **“Subsidiaries”**.

by their respective undersigned managers, decide to execute this Protocol and Justification for the Merger of Subsidiaries with and into CBD (the **“Protocol”**), for all legal purposes and effects, according to Article 223 and following articles of Law No. 6,404, as amended and in effect, (the **“Brazilian Corporations Law”**), pursuant to the following terms and conditions:

1. Justification

1.1. CBD is a publicly-held company, which capital stock, totally subscribed and totally paid-in, is of six billion, seven hundred and ninety one million, nine hundred and eighty thousand, twelve Brazilian Reais and six cents (R\$6.791.980.880,06), divided into two hundred and sixty five million, two hundred and eighty three thousand, three hundred and eight (265.283.308) shares with no par value, being ninety nine million, six hundred and seventy nine thousand, eight hundred and fifty one (99.679.851) common shares and one hundred and sixty five million, six hundred and three thousand, four hundred and fifty seven (165.603.457) preferred shares, all with no par value.

1.2. The Subsidiaries are limited liability companies and closely-held companies, which capital stock, totally subscribed and totally paid-in, are divided into quotas or shares, as applicable, which shall be held by CBD, in its entirety, on the date of the Incorporation.

1.3. Considering that CBD shall be the only quotaholder and shareholder, as applicable, of the Subsidiaries, the merger of the Subsidiaries with and into CBD (the “Merger”) is highly convenient for the corporate interests of the Subsidiaries and CBD, since the unification of the activities and management of the companies shall result in administrative, economic and financial benefits, by means of the rationalization and simplification of its corporate structure, what makes possible to consolidate and reduce its combined operating expenditures and expenses and enables the capture of operational and fiscal synergies of the group entities.

2. Transfer of Equity and Effectiveness of the Incorporation

2.1. Transfer of Equity and Appraisal: Upon the Merger, all the Subsidiaries’ net equity shall be transferred to CBD, with the consequent dissolution of the Subsidiaries. For the Merger purposes, the net equity of the Subsidiaries was valued based on its book value on the base date of September 30, 2014. The appraisal report of the net assets of the Subsidiaries to be transferred to CBD was prepared by Magalhães Andrade S/S Auditores Independentes, a company enrolled with the CNPJ/MF under No. 62.657.242/0001-00, with headquarters in the City of São Paulo, State of São Paulo, at Avenida Brigadeiro Faria Lima, 1893, 6th floor, Jardim Paulistano, Postal Code 01452-001, duly registered with the Regional Accounting Council of the State of São Paulo (CRC/SP) under No. 2SP000233/O-3 (“Magalhães Andrade”), a specialized company which prepared the valuation of the Subsidiaries, on the base date of September 30, 2014 (the “Appraisal Report”), hired *ad referendum* of the quotaholders and shareholders of the Subsidiaries and of the shareholders of CBD, which is attached to this Protocol as Exhibit 2.1.

2.1.1 Magalhães Andrade declared to not have any conflict of interest or common interest, present or potential, with the controlling shareholders or quotaholders of CBD and the Subsidiaries or upon their minority shareholders and/or quotaholders and from other companies of their respective groups, regarding the Merger.

2.2. Appraisal: Magalhães Andrade valued all equity of the Subsidiaries at the value of one hundred and six million, five hundred and twenty-seven thousand, two hundred and forty-four Reais and eighteen cents (R\$106,527,244.18).

2.3. Equity Changes: The equity changes occurred between September 30, 2014 and the effective date of the Merger shall be absorbed by CBD.

2.4. Increase of the Capital Stock and Net Worth of the Surviving Company: In case the Merger is approved by the Extraordinary Shareholders' Meeting of CBD, as well as by the quotaholders upon Amendments to the Articles of Association or by the shareholders upon Extraordinary Shareholders' Meeting, as applicable, of the Merged Companies, it shall not implicate in the increase of capital stock of CBD, once CBD shall be, on the date of the Incorporation, the holder of the totality of the capital stock of the Merged Companies.

2.5 Absence of the 264 report: In addition to the aforementioned considerations, CBD clarifies that within the scope of the Merger, the report provided for in Article 264 of the Brazilian Corporations Law will not be prepared, for the reasons outlined herein below:

2.5.1. Within the scope of the Merger, there are no minority interests in the entities which shall be merged into CBD to be safeguarded, once on the date of the Merger CBD all Subsidiaries shall have the totality of their quotas and shares held by CBD. Therefore, there is no share replacement ratio to be compared for the purposes of Article 264 of the Brazilian Corporate Law.

2.5.2. In this regard, as far as the shareholders of CBD are concerned, the report referred to in Article 264 of the Brazilian Corporate Law has a merely informative nature.

2.5.3. Finally, the current shareholders of CBD will maintain the same interests held in CBD's capital stock as prior to the implementation of the Merger, once CBD's capital stock will not be increased and CBD will not issue new shares.

3. Other Conditions Applicable to the Merger

3.1 Dissolution of the Merged Companies: With the Merger approval, the Subsidiaries shall be fully dissolved by operation of law.

3.2 Succession Rights and Obligations: CBD shall assume all assets and liabilities regarding the equity of the Subsidiaries which shall be transferred to it pursuant to this Protocol, being successor to all assets, rights and obligations of the Subsidiaries.

3.3. Corporate Acts to Resolve on the Merger: The Merger, as well as the Appraisal Report and other terms and conditions of this Protocol, are subject to the approval of the quotaholders and shareholders, as applicable, of the

Subsidiaries, and of the shareholders of CBD, upon Amendments to the Articles of Association or Extraordinary Shareholders' Meeting, as applicable, of the Merged Companies, and at Extraordinary Shareholders' Meeting of CBD, for examination and resolution on the Merger and justification set forth in this Protocol, including, without limitation, the dissolution of the Subsidiaries. The parties undertake to perform, and to cause their managers to perform, any other acts that may be necessary to implement the set forth in this Protocol, once approved by the quotaholders and shareholders, as applicable, of the Subsidiaries and by the shareholders of CBD.

3.4. Effectiveness: In case the Merger is approved, it shall become effective as of December 31, 2014.

In witness whereof, the parties execute this instrument in eleven (11) counterparts of equal content and for one sole effect, together with the two undersigned witnesses.

São Paulo, December 11th, 2014

Companhia Brasileira de Distribuição

Name:
Office:

Name:
Office:

Vedra Empreendimentos e Participações S/A

Name:
Office:

Name:
Office:

GPA 4 Empreendimentos e Participações S/A

Name:
Office:

Name:
Office:

ECQD Participações Ltda.

Name:
Office:

Name:
Office:

API SPE 06 Planejamento e Desenvolvimento de Empreendimentos Imobiliários Ltda.

Name:
Office:

Name:
Office:

GPA 5 Empreendimentos e Participações S/A

Name:
Office:

Name:
Office:

Monte Tardeli Empreendimentos e Participações S/A

Name:
Office:

Name:
Office:

PA Publicidade Ltda.,

Name:
Office:

Name:
Office:

Vancouver Empreendimentos e Participações Ltda.

Name:
Office:

Name:
Office:

Duque Conveniências Ltda.

Name:
Office:

Name:
Office:

Witnesses:

1. _____ 2. _____

Name:

Name:

I.D.:

I.D.:



COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO

Authorized Capital Publicly-Held Corporation

Corporate Taxpayers' Registry (CNPJ/MF) No. 47.508.411/0001 56

Registry of Commerce (NIRE) No. 35.300.089.901

SPECIAL SHAREHOLDERS' MEETING

DECEMBER 29, 2014

ANNEXO II TO THE MANAGEMENT PROPOSAL

Annex 21 of ICVM 481/2009 – Information on Appraisers

1. List the appraisers recommended by the management

The Company Management recommends approval of the ratification of the hiring of **MAGALHÃES ANDRADE S/S AUDITORES INDEPENDENTES**, an auditing and consultancy company enrolled with the Accounting Regional Board of the State of São Paulo, under No. 2SP000233/0-3, registered with the Corporate Taxpayers' Registry (CNPJ/MF) under No. 62.657.242/0001-00 and located at Av. Brigadeiro Faria Lima, 1893, - 6º andar [floor], Jardim Paulistano [District], in the city of São Paulo, State of SP, which prepared the Assessment Report.

2. Describe the qualification of the recommended appraisers

The appraiser recommended by the Company Management has renowned experience for purposes of preparation of the assessment report at issue, as one can see from its webpage (www.magalhaesandrade.com.br).

3. Provide copies of the service and compensation proposals made by the appraisers recommended

The compensation for the services provided by the appraiser recommended by the Company Management for preparation of the assessment report under scrutiny shall be ninety-eight thousand reais (R\$ 98,000.00), as per the service proposal presented to the Company Management, and which is available for consultation by all Shareholders at the Company's headquarters.

4. Describe any relevant relationship in the past three (3) years between the appraisers recommended and the parties related to the company, as defined by the accounting rules governing this subject matter.

Magalhães Andrade S/S Auditores Independentes has no relationships whatsoever with parties related to the Company.

*(Free translation into English from the
original report previously issued in Portuguese)*

**COMPANHIA BRASILEIRA DE
DISTRIBUIÇÃO**

**Appraisal report on investees' net
assets at book value for merger
purposes**

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MagalhãesAndrade S/S Auditores Independentes

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Dear Sirs

Shareholders and Quotaholders of

Companhia Brasileira de Distribuição,

Vancouver Empreendimentos e Participações Ltda.

Duque Conveniências Ltda.

PA Publicidade Ltda.

API SPE 06 Planejamento e Desenvolvimento de Empreendimentos Imobiliários Ltda.

Monte Tardeli Empreendimentos e Participações S.A.

GPA 4 Empreendimentos e Participações S.A.

GPA 5 Empreendimentos e Participações S.A.

ECQD Participações Ltda.

Vedra Empreendimentos e Participações S.A.

MAGALHÃES ANDRADE S/C AUDITORES INDEPENDENTES, an audit and consulting firm registered with the Conselho Regional do Estado de São Paulo under N^o 2SP000233/O-3, and enrolled into Brazilian IRS Registry of Legal Entities (CNPJ/MF) under the N^o 62.657.242/0001-00, with head-office at Av. Brigadeiro Faria Lima, 1893 - 6^o andar, Jardim Paulistano, at the Capital of the State of São Paulo, appointed by you as an expert appraiser to carry out the valuation of net assets at book value of Sé Supermercados Ltda., Vancouver Empreendimentos e Participações Ltda., Duque Conveniências Ltda., PA Publicidade Ltda., API SPE 06 Planejamento e Desenvolvimento de Empreendimentos Imobiliários Ltda., Monte Tardeli Empreendimentos e Participações S.A., GPA 4 Empreendimentos e Participações S.A., GPA 5 Empreendimentos e Participações S.A., ECQD Participações Ltda., and Vedra Empreendimentos e Participações S.A., for purposes of merging into Companhia Brasileira de Distribuição's net assets, upon completing the diligence, verifications and calculations required to complete its work, presents the hereunder

APPRAISAL REPORT

São Paulo, November 21, 2014

MAGALHÃES ANDRADE S/C

Auditores Independentes

CRC2SP000233/Ó-3

GUY ALMEIDA ANDRADE

Partner

Accountant CRC1SP116.758/O-3

APPRAISAL REPORT

INTRODUCTION

1. The present operation whereby **Companhia Brasileira de Distribuição (CBD)** or (**Merging Company**) merges net assets of investees **Vancouver Empreendimentos e Participações Ltda. (VANCOUVER)**, **Duque Conveniências Ltda. (DUQUE)**, **PA Publicidade Ltda. (PAPU)**, **API SPE 06 Planejamento e Desenvolvimento de Empreendimentos Imobiliários Ltda. (SPE)**, **Monte Tardeli Empreendimentos e Participações S.A. (MONTE TARDELI)**, **GPA 4 Empreendimentos e Participações S.A. (GPA 4)**, **GPA 5 Empreendimentos e Participações S.A. (GPA 5)**, **ECQD Participações Ltda. (ECQD)** and **Vedra Empreendimentos e Participações S.A. (VEDRA)**, jointly referred as **MERGED COMPANIES**.
2. As set out in the **PROTOCOL OF MERGER AND JUSTIFICATION** entered into, the **MERGED COMPANIES** herein referred to are limited liability companies and privately-held stock corporations whose fully subscribed for and paid-up capital comprises units of quotas and shares, as applicable, that shall be fully held by **CBD**.
3. Whereas **CBD** shall be sole quotaholder and shareholder, as the case may be, of the **MERGED COMPANIES**, their merger into **CBD** is highly convenient to the company quotas of **CBD** and **MERGED COMPANIES**, since the merging activities and management of companies will generate considerable benefits of an administrative, economic and financial nature, mainly through rationalizing and simplifying the shareholding structure of the group, enabling the consolidation and reduction of operating costs and expenses, rendering feasible to capture operating and tax synergies of group companies.
4. This **REPORT**, therefore, aims to determine the book value of net assets to be merged, in light of the Company's equity at September 30, 2014.
5. The Appraisal Report was issued in connection with the audit of the balance sheets of the **MERGED COMPANIES** prepared for this purpose at September 30, 2014, as well as the summary of significant accounting practices.

6. Companies' Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices adopted in Brazil and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

7. Our responsibility is to express an opinion on the investment held by **CBD** based on our audit. We conducted our audit in accordance with International and Brazilian Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

8. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the **MERGED COMPANIES's** internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

9. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

VANCOUVER's FINANCIAL POSITION

10. The Valuation at book value was accomplished in compliance with the terms of article 226 of Law N^o 6404/76 and with CVM Rules N^{os} 319/99 and 320/99, based on the financial position disclosed in the balance sheet of September 30, 2014 prepared for such purpose, presented in **ATTACHMENT 1** and summarized as follows:

ASSETS	98,418,138.22
(-) LIABILITIES	<u>33,812,929.87</u>
NET EQUITY	<u>64,605,208.35</u>

11. The aforesaid balance sheet was prepared in accordance with the accounting practices adopted in Brazil. The valuation relied on the company's ability to continue as a going concern.

12. **ATTACHMENT 1** shows the breakdown of **VANCOUVER's** net equity and current accounts held with companies of the Group. We highlighted in **ATTACHMENT 2** the balances to be eliminated upon merger.

13. **VANCOUVER** holds investments in group companies, as below, valued under the equity method of accounting, to be transferred to **CBD** upon merger. These units of quotas comprise nearly 100% of the capital of these companies.

Posto Ciara Ltda.	99,999 quotas
Auto Posto Império Ltda.	794,166 quotas

Auto Posto Duque Salim Maluf Ltda.	2,203,356 quotas
Auto Posto GPA Santo André Ltda.	831,669 quotas
Auto Posto Duque Lapa Ltda.	2,152,540 quotas
Duque Conveniências Ltda.	108,859 quotas

14. **ATTACHMENT 3** shows **VANCOUVER**'s capital holding and the equity value of the units of quotas, evidencing controlling shareholder position of **CBD** and a non-controlling quotaholder who, as set forth in the **PROTOCOL OF MERGER AND JUSTIFICATION**, will sell **CBD** its equity quotas upon merger.

15. In connection with the merger, the **VANCOUVER**'s units of quotas will cease to exist.

DUQUE CONVENIÊNCIAS's FINANCIAL POSITION

16. The Valuation at book value was accomplished in compliance with the terms of article 226 of Law N^o 6404/76 and with CVM Rules N^{os} 319/99 and 320/99, based on the financial position disclosed in the balance sheet of September 30, 2014 prepared for such purpose, presented in **ATTACHMENT 4** and summarized as follows:

ASSETS	118,521.51
(-) LIABILITIES	<u>169,713.32</u>
NET EQUITY	<u>(51,191.81)</u>

17. The aforesaid balance sheet was prepared in accordance with the accounting practices adopted in Brazil. The valuation relied on the company's ability to continue as a going concern.

18. **ATTACHMENT 4** shows the breakdown of **DUQUE CONVENIÊNCIAS's** net equity and current accounts held companies of the Group. We highlighted in **ATTACHMENT 5** the balances to be eliminated upon merger.

19. **ATTACHMENT 6** shows **DUQUE CONVENIÊNCIAS's** capital and equity value of units of quotas, evidencing controlling shareholder position of CBD and a non-controlling member who, as set forth in the **PROTOCOL OF MERGER AND JUSTIFICATION**, will sell **CBD** its equity quotas upon merger.

20. In connection with the merger, the **DUQUE CONVENIÊNCIAS's** units of quotas will cease to exist.

PAPU's FINANCIAL POSITION

21. The Valuation at book value was accomplished in compliance with the terms of article 226 of Law N^o 6404/76 and with CVM Rules N^{os} 319/99 and 320/99, based on the financial position disclosed in the balance sheet of September 30, 2014 prepared for such purpose, presented in **ATTACHMENT 7** and summarized as follows:

ASSETS	27,364,046.71
(-) LIABILITIES	<u>772.143.28</u>
NET EQUITY	<u>26.591.903.43</u>

22. The aforesaid balance sheet was prepared in accordance with the accounting practices adopted in Brazil. The valuation relied on the company's ability to continue as a going concern.

23. **ATTACHMENT 7** shows the breakdown of **PAPU**'s net equity and current accounts held with group companies of the Group. We highlighted in **ATTACHMENT 8** the balances to be eliminated upon merger.

24. **ATTACHMENT 9** shows **PAPU**'s capital and equity value of units of quotas, evidencing controlling shareholder position of CBD and a non-controlling member who, as set forth in the **PROTOCOL OF MERGER AND JUSTIFICATION**, will sell **CBD** its equity quotas upon merger.

25. In connection with the merger, the **PAPU**'s units of quotas will cease to exist.

API SPE 06's FINANCIAL POSITION

26. The Valuation at book value was accomplished in compliance with the terms of article 226 of Law N^o 6404/76 and with CVM Rules N^{os} 319/99 and 320/99, based on the financial position disclosed in the balance sheet of September 30, 2014 prepared for such purpose, presented in **ATTACHMENT 10** and summarized as follows:

ASSETS	16,211,318.20
(-) LIABILITIES	<u>45,000.00</u>
NET EQUITY	<u>16,166,318.20</u>

27. The aforesaid balance sheet was prepared in accordance with the accounting practices adopted in Brazil. The valuation relied on the company's ability to continue as a going concern.

28. **ATTACHMENT 11** shows **API SPE**'s capital and equity value of units of quotas, evidencing controlling shareholder position of CBD and a non-controlling member who, as set forth in the **PROTOCOL OF MERGER AND JUSTIFICATION**, will sell **CBD** its equity quotas upon merger.

29. In connection with the merger, the **API SPE**'s units of quotas will cease to exist.

MONTE TARDELI's FINANCIAL POSITION

30. The Valuation at book value was accomplished in compliance with the terms of article 226 of Law Nº 6404/76 and with CVM Rules Nºs 319/99 and 320/99, based on the financial position disclosed in the balance sheet of September 30, 2014 prepared for such purpose, presented in **ATTACHMENT 12** and summarized as follows:

ASSETS	4,073.90
(-) LIABILITIES	<u>1,495.00</u>
NET EQUITY	<u>2,578.90</u>

31. The aforesaid balance sheet was prepared in accordance with the accounting practices adopted in Brazil. The valuation relied on the company's ability to continue as a going concern.

32. **ATTACHMENT 12** shows the breakdown of **MONTE TARDELLI**'s net equity and current accounts held with group companies. We outlined in **ATTACHMENT 13** the balances to be eliminated upon merger.

33. **ATTACHMENT 14** shows **MONTE TARDELLI**'s capital and equity value of units of quotas, evidencing controlling shareholder position of CBD and a non-controlling member who, as set forth in the **PROTOCOL OF MERGER AND JUSTIFICATION**, will sell **CBD** its equity quotas upon merger.

34. In connection with the merger, the **MONTE TARDELLI**'s units of quotas will cease to exist.

GPA 4's FINANCIAL POSITION

35. The Valuation at book value was accomplished in compliance with the terms of article 226 of Law N^o 6404/76 and with CVM Rules N^{os} 319/99 and 320/99, based on the financial position disclosed in the balance sheet of September 30, 2014 prepared for such purpose, presented in **ATTACHMENT 15** and summarized as follows:

ASSETS	5,640.90
(-) LIABILITIES	<u>1,795.00</u>
NET EQUITY	<u>3,845.90</u>

36. The aforesaid balance sheet was prepared in accordance with the accounting practices adopted in Brazil. The valuation relied on the company's ability to continue as a going concern.

37. **ATTACHMENT 15** shows the breakdown of **GPA 4**'s net equity and current accounts held with group companies. We outlined in **ATTACHMENT 16** the balances to be eliminated upon merger.

38. **ATTACHMENT 17** shows **GPA 4**'s capital and equity value of units of quotas, evidencing controlling shareholder position of CBD and a non-controlling member who, as set forth in the **PROTOCOL OF**

MERGER AND JUSTIFICATION, will sell **CBD** its equity quotas upon merger.

39. In connection with the merger, the **GPA 4**'s units of quotas will cease to exist.

GPA 5's FINANCIAL POSITION

40. The Valuation at book value was accomplished in compliance with the terms of article 226 of Law N^o 6404/76 and with CVM Rules N^{os} 319/99 and 320/99, based on the financial position disclosed in the balance sheet of September 30, 2014 prepared for such purpose, presented in **ATTACHMENT 18** and summarized as follows:

ASSETS	6,141.20
(-) LIABILITIES	<u>1,980.00</u>
NET EQUITY	<u>4,161.20</u>

41. The aforesaid balance sheet was prepared in accordance with the accounting practices adopted in Brazil. The valuation relied on the company's ability to continue as a going concern.

42. **ATTACHMENT 18** shows the breakdown of **GPA 5's** net equity and current accounts held with group companies. We outlined in **ATTACHMENT 19** the balances to be eliminated upon merger.

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