BRAZILIAN DISTRIBUTION CO COMPANHIA BRASILEIRA DE DISTR CBD
Form 6-K
February 21, 2019

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 February, 2019

_____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_

(FreeTranslation into English from the Original

Previously Issued in Portuguese.)

Companhia Brasileira
de Distribuição

Individual and Consolidated
Financial Statements for the
Year Ended December 31, 2018 and
Independent Auditor's Report

Companhia Brasileira de Distribuição

Consolidated Financial Statements

Years ended December 31, 2018 and 2017

Index

A free translation from Portuguese into English of Independent Auditor's Report on Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board – IASB

INDEPENDENT AUDITOR'S REPORT ON INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of

Companhia Brasileira de Distribuição

São Paulo - SP

Opinion

We have audited the individual and consolidated financial statements of Companhia Brasileira de Distribuição (the "Company"), identified as Parent Company and Consolidated, respectively, which comprise the statement of financial position as at December 31, 2018 and the statements of profit or loss, of comprehensive income, of changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the individual and consolidated financial position of Companhia Brasileira de Distribuição as at December 31, 2018, and its individual and consolidated financial performance and cash flows for the year then ended in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the individual and consolidated financial statements" section of our report.We are independent of the Company and its subsidiaries in accordance with the relevant ethical principles set forth in the Code of Professional Ethics for Accountants, the professional standards issued by Brazil's National Association of

State Boards of Accountancy (CFC) and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis on restatement of corresponding figures

As mentioned in Note 5, as a result of the adoption of accounting pronouncements CPC 47 - Contract Revenue with Customer and CPC 49 - Financial Instruments, the corresponding figures referring to the year ended December 31, 2017 presented for comparison purposes were adjusted and are restated as provided in CPC 23 - Accounting Estimates, Changes in Estimates and Errors. Our opinion does not contain any modification in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter, including any commentary on the findings or outcome of our procedures, is provided in that context.

We have fulfilled the responsibilities described in the “Auditor’s responsibilities for the audit of the individual and consolidated financial statements” section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Tax credit realization – State value-added tax (ICMS)

At December 31, 2018, ICMS tax credits totaled R$ 1,326 million in Parent Company and R$ 2,335 million in Consolidated. As disclosed in Note 11 to the financial statements at December 31, 2018, management assesses the risk of tax credit recovery, which depends on the generation of future ICMS debts on the Company’s operations. Such assessment is conducted based on an annual study on the Company’s tax credit recoverability. Preparation of this study involves a significant level of judgment and estimate by Company management in determining sales projections of its stores and other assumptions. It also includes non-observable data that is subject to and rely on factors that are beyond the Company’s control.

How our audit has addressed this matter:

Our audit procedures included, among others: i) understanding of the process implemented by management to prepare the annual study on tax credit recoverability, including an assessment of the design and operational effectiveness of the internal controls implemented by the Company on this annual process and on the preparation of the projections used by management; ii) assessment of the assumptions and criteria discussed above and whether the data used in the preparation of the annual study on tax credit recoverability was reasonable; iii) comparing the most significant assumptions used by Company management with industry and economic trends, and with our expectations, which were established based on our knowledge of the Company's operations and the economic environment where it operates; iv) assessing the accuracy of management’ historical estimates, and conducting a sensitivity analysis of the most significant assumptions to determine the impact of a reasonable change in such assumptions in the annual study on tax credit recoverability and v) assessment of the mathematical accuracy of the calculations included in the annual study on tax credit recoverability.

In addition, we have assessed the adequacy of disclosures in Note 11 to the financial statements at December 31, 2018.

Based on the results of the audit procedures we conducted on the annual study on tax credit recoverability, which is in line with management's assessment, we consider that the criteria and assumptions related to the ICMS tax credit recoverability adopted by management, and respective disclosures in Note 11, are appropriate, in the context of the overall financial statements.

Tax contingencies with likelihood of loss rated as possible

As disclosed in Note 21.6 to the financial statements at December 31, 2018, the Company is a party to administrative and legal proceedings arising from various tax contingencies that total R$ 10,671 million, for which no provision was recorded at December 31, 2018, as the likelihood of loss was assessed as possible based on the information available as of this date.

Determining the likelihood of loss and the recognition of a provision for tax contingencies, if any, involves a significant level of judgment by management in determining whether the Company will be awarded a favorable court decision on said proceedings and whether an outflow of resources is expected, considering the complexity of the Brazilian tax environment and lack of case law on certain tax matters. In this assessment, management relies on the assistance of outside legal advisors. In addition, changes in the assessment of the likelihood of loss in tax proceedings resulting from case law or new understandings of the respective courts may not be detected by Company management.

How our audit has addressed this matter:

Our audit procedures included, among others: i) understanding of the process implemented by management to estimate the likelihood of loss of tax proceedings, including an assessment of the design and operational effectiveness of the internal controls implemented by the Company to detect, monitor and assess those tax proceedings, ii) obtaining confirmation letter replies directly from the Company’s outside legal advisors, and comparing their assessments on the tax proceedings with those made by management; and iii) involving tax specialists to assess whether management’s judgment, made together with the Company’s outside legal advisors, was reasonable for a sample of tax themes assessed as possible loss, based on an understanding of the arguments considered critical by management to prevail in the legal discussion; and iv) reviewing the legal opinions obtained by Company management for the most significant tax matters, and assessing whether the legal grounds were supported by the case law and trends observed in recent court rulings.

In addition, we assessed whether the disclosures made by the Company, for the most significant tax contingencies, were appropriately included in Note 21.6 to the financial statements at December 31, 2018.

Based on the results of the audit procedures over the judgments and assessments of likelihood of loss on the tax proceedings assessed as possible loss, which is in line with management’s assessment, we consider that the criteria and assumptions adopted by management to determine the estimated loss in such proceedings, and respective disclosures in Note 21.6, are appropriate, in the context of the overall financial statements.

Assets held for sale and discontinued operations

At December 31, 2018, assets held for sale totaled R$ 24,443 million, liabilities related to assets held for sale totaled R$ 19,412 million, and loss after tax from discontinued operations totaled R$ 74 million. As disclosed in Note 32 to the financial statements, the process to sell equity interest held by the Company in Via Varejo S.A. and subsidiaries (“Via Varejo”) started in 2016 but had not been completed at December 31, 2018. Company management continues committed to the sale plan. Via Varejo operations are still presented as discontinued operations, as required by accounting pronouncement CPC 31– *Ativo Não Circulante Mantido para Venda e Operação Descontinuada* (equivalent to IFRS 5 – Non-Current Assets Held for Sale and Discontinued Operations).

Measurement of assets held for sale for the lower of their carrying amount and fair value less costs to sell, required by the accounting pronouncement referred to above, involves significant judgments and estimates by Company management to determine the recoverable amount of those assets, including an assessment of the assumptions supported by professional judgment, which considers non-observable data that is subject to and relies on factors beyond the Company’s control. Presentation of Via Varejo operations as discontinued operations had a significant impact on the Company’s financial statements, including detailed disclosures in notes on the statements of financial position, of profit or loss and of cash flows of Via Varejo. Such process also involved judgment by Company management to support that Via Varejo operations should still be presented as discontinued operations at December 31, 2018, even though the sale had not been completed one year after the sale plan started.

How our audit has addressed this matter:

Our audit procedures included, among others, understanding of the process implemented by Company management to estimate the fair value, and assessing the design and operational effectiveness of the internal controls implemented by the Company on: i) oversight and monitoring of the preparation of the financial statements and determination of amounts related to Via Varejo discontinued operations; and ii) the measurement of assets held for sale at the lower of their carrying amounts of fair values less costs to sell. We have assessed the presentation of the discontinued operations in the Company's financial statements and involved specialists in corporate finance to help us assess the assumptions and criteria adopted by management to measure the fair value less costs to sell of assets held for sale and determine the recoverable amount of these assets. We have analyzed the documentation prepared by management to support that Via Varejo operations should still be presented as discontinued operations, including (i) approvals provided by Company Board of Directors relating to expansion of sale possibilities, including disposal of interest by means of capital market transactions and (ii) assessment of the sale of a portion of Via Varejo shares by the Company in December 2018 and disclosed in Note 32.

In addition, we have assessed the adequacy of the Company's disclosures on these matters, included in Note 32 to the financial statements at December 31, 2018.

Based on the results of the audit procedures we conducted, which is in line with management's assessment, we consider that the policies related to the presentation of assets held for sale and the result of discontinued operations are appropriate to support the judgments, estimates and disclosures included in the context of the overall financial statements.

Other matters

Statements of value added

The individual and consolidated statements of value added (SVA) for year ended December 31, 2016, prepared under the responsibility of Company management, and presented as supplementary information for purposes of IFRS, were submitted to audit procedures conducted together with the audit of the Company's financial statements. To form our opinion, we evaluated if these statements are reconciled to the financial statements and accounting records, as applicable, and if their form and content comply with the criteria defined by Accounting Pronouncement CPC 09 – *Demonstração do Valor Adicionado*. In our opinion, these statements of value added were prepared fairly, in all material respects, in accordance with the criteria defined in abovementioned accounting pronouncement, and are consistent in relation to the overall individual and consolidated financial statements.

Other information accompanying the individual and consolidated financial statements and the auditor's report

Management is responsible for such other information, which comprise the Management Report.

Our opinion on the individual and consolidated financial statements does not cover the Management Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the Management Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the individual and consolidated financial statements

Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s and its subsidiaries’ financial reporting process.

Auditor’s responsibilities for the audit of the individual and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Company’s and its subsidiaries’ internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s and its subsidiaries’ ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

• Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements, including applicable independence requirements, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

São Paulo, February 20, 2019

ERNST & YOUNG

Auditores Independentes S.S.

CRC-2SP034519/O-6

Antonio Humberto Barros dos Santos

Accountant CRC-1SP161745/O-3

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MESSAGE FROM MANAGEMENT

The year 2018 brought **excellent results for GPA**. We delivered sequential important market share gains and solid results for the Group's businesses. The accelerated store expansion at Assaí over recent years supported strong sales and substantial net income growth. At Multivarejo, sales improved sequentially, accompanied by higher profitability. Our multi-channel, multi-format and multi-region portfolio, combined with the optimization of our store portfolio through conversions, renovations and new concepts, has ensured a better offering of products and services for our customers, further strengthening their power of choice. We also advanced in the digital transformation of our businesses, reinforcing GPA's pioneering efforts on fronts such as food e-commerce and loyalty programs, which supported efficiency gains in our search for new revenue streams.

Despite a macroeconomic scenario still marked by recovery, we maintained a **high level of investment in the year** of over R$1.7 billion, or 28.8% more than in 2017, which reinforces our confidence in the execution of our business strategy and in the recovery of the Brazilian economy. We posted gross sales of R$53.6 billion, 10.7% higher than in 2017, and market share gains at both Multivarejo and Assaí, with sequential improvements in our results, which led net income to more than double to R$1.3 billion in the year.

At Assaí, 2018 was marked by **solid and strong sales growth**, which was leveraged by the banner's nationwide footprint. Assaí, which ended the year with 144 stores, maintained its accelerated pace of store openings: 18 new units. The highly effective strategy for determining the sites of these stores supported above-expectation performance and the best result in sales per square meter of the last five years. This year, Assaí also was included on the list of Brazil's Most Valuable Brands compiled by Interbrand.

Meanwhile, Multivarejo delivered **important revenue growth**, reflecting the more dynamic commercial actions, the better positioning of banners and the higher penetration of loyalty tools and customization of the "My Discount" app and "My Rewards" initiative. Over the year, the Extra Super and Proximity formats posted significant improvement in their performances, while the Pão de Açúcar banner maintained its high profitability.

We made important adjustments in the portfolio, with improvements within the formats: 15 Pão de Açúcar stores, totaling 20 stores renovated to the new model, which focuses entirely on the shopping experience and on strengthening the banner's value proposition. Another 23 Extra Super stores were remodeled under the Mercado Extra concept and 13 stores were converted into Compre Bem, which since their conversion already have been delivering strong growth.

Another important action was the **repositioning of our Private-Label portfolio** with a priority on improving quality and price competitiveness, which has led to an increase in the share of these products in the Super, Hyper and Proximity formats. Additionally, it has strengthened our competitiveness in regional markets and our loyalty-building efforts. In 2018, we launched 500 new products, supported by a new communication model and promotional campaigns.

We also created the **Digital Transformation department** and began working more closely with foodtech startups. We prospected over 350 companies in the industry, which resulted in a partnership with Cheftime, online subscription service and sales of gastronomic kits, and in the acquisition of James Delivery, a multiservice delivery platform for various products. We also inaugurated Pão de Açúcar Adega, a platform formed by an exclusive online wine shop with nationwide delivery, an application and a brick-and-mortar store (in São Paulo city) to give consumers a truly omnichannel experience.

Looking to the future also means having our management integrated with **sustainability principles**, assessing risks and identifying opportunities to create value for all our stakeholders. As a transformational agent and a link in a chain, we adopt responsible sourcing management that include aspects such as preserving species, animal welfare, combating deforestation and verifying adequate work conditions.

We have a highly motivated and diverse team of more than 100,000 employees across Brazil. We were able to surpass the mark of 30% women in leadership positions (managerial level and higher) and increased to 21% the percentage of persons with disabilities on our team.

Consistent with our commitment to diversity, we launched the Manifesto of Senior Male Leaders for Gender Equality and created two other Affinity Groups, for Racial Equality and LGBTI+, which complement the activities of the Gender Equality Committee created in 2013. All these actions, combined with others to value our people, promote conscientious consumerism, protect the links of the production chain, preserve the environment and engage society reinforce the pillars that guide our business strategy.

We ended 2018 with very positive progress and solid and sustainable results in our businesses, which are accomplishments that reflect the engagement and capacity of our entire team. We continue working to ensure a store portfolio that meets consumers' needs, products and initiatives that offer the best options to our shareholders, suppliers, employees and, most importantly, a permanent focus on our customers.

Peter Estermann

Chief Executive Officer

Audit Committee Report – Fiscal Year 2018

Initial information

The Audit Committee (“Committee”) of *Companhia Brasileira de Distribuição* (“Company”) is an advisory statutory body linked directly to Board of Directors.

The current configuration of the Committee is composed of 4 (four) members, all elected at a meeting of the Company's Board of Directors held on April 27, 2018, with a unified term of office of two years, with the possibility of re-election. All members are independent, and two of the members serve as members of the Company´s Board of Directors, one of which has the responsibility of coordinating the Committee.

The responsibilities and functions of the corporate governance bodies interacting with the Audit Committee are disposed in the Investor Relations portal of *Companhia Brasileira de Distribuição*, accessible through the following electronic address:
http://www.gpari.com.br/conteudo_pt.asp?idioma=0&conta=28&tipo=29901

Activities of the Audit Committee in 2018

The Audit Committee held 10 (ten) ordinary meetings, being all of them with the presence of members of the Company´s Executive Board, internal audit members and other members of the Company´s management. Further, 8 (eight) of the meetings had the presence of representatives of the independent auditors.

The Audit Committee, jointly or through its members individually, also held meetings with the Directors responsible for the Company's Business Units for detailed knowledge of the operations of each respective area. The Coordinator of the Audit Committee periodically reported the main topics discussed at these meetings to the other members of the Board of Directors at their regular meetings.

The GPA / CBD Audit Committee Coordinator periodically interacts also with members of the Internal Audit area of the Casino Group, based in France, aiming at the exchange of experiences and best practices of Governance.

Meetings with the Executive Board

The Committee met in 2018 with the Executive Board and their respective teams in order to obtain information about the structures and operations of the areas, their work processes, possible deficiencies identified in the control systems, mitigating mechanisms in force and plans for improvements.

Among the matters that demanded more attention from the Committee, the following stand out:

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- Contingencies and provisions

The Audit Committee continued the monitoring, as in previous years, together with the Legal Department, the progress of the implementation of a new system (including software) for the management of the Company's administrative and judicial procedures, which allows the closest control of provisions and the review of the basis of the cases in dispute, with the potential to obtain improvements.

During the year of 2018, the Committee kept paying close attention to the progress in the tax claims and further risks involved in the lease by the Company of third-party owned goodwill.

- Transactions with related parties

In accordance with the procedures and guidelines set forth in the Related Party Transactions Policy, the Audit Committee evaluated specific cases of compliance with the procedures set forth in the Policy in the formalization of the processes subsequently submitted for deliberation by the Board of Directors.

Technology and Information Security Issues

The Committee continued to prioritize the progress of processes and controls involving information technology issues in order to be informed about the long- and medium-term action plans for improving IT management.

Based on the analysis of the Internal Auditors and of the Independent Auditors, the Committee continued to monitor the process of auditing the internal controls related to the topic of Information Security.

Accounting

Together with the Accounting Department, the Committee analyzed and discussed the information contained in the Financial Statements and the Explanatory Notes, always with the participation of the Independent Auditors, prior to the disclosure of the quarterly results and the results for the year ended 12/31/2018.

In addition, the Committee continued to monitor during 2018 the implementation of a system developed to consolidate the Company's financial information.

Tax Issues

During the year 2018, the Committee continued to monitor the development of the system for controlling taxes on purchases, transfers and sales, which includes an action plan that aims to implement systemic solutions and revise / create processes to standardize and organize the generation of information related to tax rules, product costing, tax calculation, inventory management and basic records.

In addition, during the year 2018, members of the Committee held discussions with the Company on the methodology for monetizing tax credits, as well as continuing to monitor quarterly the compliance with the credit consumption schedule.

Compliance

During the year 2018, the Committee maintained the supervision of the Compliance area of the Company (from the end of 2018 under the responsibility of the Compliance Management area).

The process of implementing the Company's Integrity Program (as provided for in Law No. 12,846, Anti-Corruption Law) conducted by the Company, with the follow-up of the Audit and Corporate Governance Committees, was completed and analyzed and discussed all the procedures to be followed.

Intern Control and Risks

The Committee kept constant supervision of the work carried out by the area responsible for internal controls during the year 2018.

Complaint Channel

The Audit Committee regularly monitors the most relevant complaints received through the internal communication channel (Ombudsman) in a confidential manner and without the identification of the complainant.

Performance Evaluation

The Audit Committee annually evaluates its own performance and evaluates the performance of the Internal and of the Independent Auditors. These evaluations identify improvement points and corresponding action plans and are reported to the Board of Directors.

Suggestions of the Audit Committee

Suggestions for improvements in processes and procedures have been presented by the Committee and addressed by the Company.

Conclusions

The Audit Committee understands that all relevant matters made known to it by the work performed and described in this Report are adequately disclosed in the Management Report and in the Audited Financial Statements related to December 31, 2018, recommending their approval by the Board of Directors.

São Paulo, February 20th, 2019.

Luiz Nelson Guedes de Carvalho, Coordinator of the Audit Committee and Accounting, Financial and Audit Specialist and Representative of the Board of Directors on the Audit Committee.

Eleazar de Carvalho Filho, Representative of the Board of Directors on the Audit Committee.

Renan Bergmann

Gisélia Oliveira

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Management statement on the financial statements

In accordance with the item V of article 25 of Instruction CVM no. 480, of December 7, 2009, as amended, the Directors stated that have reviewed, discussed and agreed with the Company´s Financial Statement related to the year ended 2018, authorizing the conclusion on this date.

São Paulo, February 20, 2019.

Directors

Peter Estermann

President

Christophe José Hidalgo

Vice President of Finance

Daniela Sabbag

Investor’s relationship Director

Management statement on the independent auditor’s report

In accordance with the item V of article 25 of Instruction CVM no. 480, of December 7, 2009, as amended, the Directors stated that have reviewed, discussed and agreed with to the Independent Registered Public Accounting Firm Report over the Company´s Financial Statements for the year ended 2018, issued on this date.

São Paulo, February 20, 2019.

Directors

Peter Estermann

President

Christophe José Hidalgo

Vice President of Finance

Daniela Sabbag

Investor’s relationship Director

Companhia Brasileira de Distribuição

Balance Sheets

December 31, 2018 and 2017

(In millions of Reais)

		Parent Company			Consolidated	
	Note	**12.31.2018**	**12.31.2017**	**01.01.2017**	**12.31.2018**	**12.31.2017**
			Restated			Resta
Current assets						
Cash and cash equivalents	7	**2,935**	2,868	4,496	**4,369**	3,792
Trade accounts receivable, net	8	**274**	428	390	**384**	618
Other receivable	9	**291**	253	104	**302**	267
Inventories, net	10	**3,606**	3,042	3,106	**5,909**	4,822
Recoverable taxes	11	**316**	360	557	**679**	596
Derivative financial instruments	18.1	**-**	-	-	**43**	-
Other current assets		**118**	119	135	**175**	146
Assets held for sale	32	**2,014**	2,009	1,837	**24,443**	22,775
Total current assets		**9,554**	9,079	10,625	**36,304**	33,016
Noncurrent assets						
Trade receivables, net	8	**4**	80	-	**4**	80
Other receivables	9	**128**	447	81	**128**	642
Recoverable taxes	11	**1,813**	1,465	521	**2,745**	1,747
Derivative financial instruments	18.1	**35**	12	-	**44**	28
Deferred income tax and social contribution	20	**172**	112	158	**207**	125
Related parties	12	**341**	206	359	**34**	25
Restricted deposits for legal proceedings	21.7	**624**	609	534	**776**	762
Prepaid expenses		**17**	8	13	**59**	43
Investments	13	**4,536**	3,345	3,029	**203**	156
Investment properties		**20**	21	23	**20**	21
Property and equipment, net	14	**5,864**	6,286	7,043	**9,650**	9,138
Intangible assets, net	15	**1,674**	1,193	1,193	**2,675**	1,924
Total noncurrent assets		**15,228**	13,784	12,954	**16,545**	14,691
Total assets		**24,782**	22,863	23,579	**52,849**	47,707

The accompanying notes are integral part of these financial statements.

Companhia Brasileira de Distribuição

Balance Sheets

December 31, 2018 and 2017

(In millions of Reais)

		Parent Company			Consolidated	
	Note	**12.31.2018**	**12.31.2017**	**01.01.2017**	**12.31.2018**	**12.31.2017 01**
			Restated			Restate
Current liabilities						
Trade payable, net	16	**5,604**	5,377	5,091	**9,246**	8,128
Borrowings and financing	17	**1,336**	1,223	2,763	**2,016**	1,251
Payroll and related taxes		**433**	441	446	**686**	640
Taxes and contributions payable	19	**236**	228	189	**370**	301
Related parties	12	**316**	387	510	**145**	153
Dividends payable	24.8	**57**	78	-	**57**	78
Financing of property		**68**	95	32	**149**	116
Rent payable		**126**	120	100	**127**	128
Deferred revenue	23	**89**	28	127	**250**	146
Other current liabilities		**258**	185	252	**327**	227
Liabilities related to assets held for sale	32	**-**	-	-	**19,412**	17,824
Total current liabilities		**8,523**	8,162	9,510	**32,785**	28,992
Noncurrent liabilities						
Borrowings and financing	17	**3,403**	2,876	2,775	**3,509**	3,337
Deferred income tax and social contribution	20	**-**	-	-	**581**	394
Tax payable in installments	19					