

BRAZILIAN DISTRIBUTION CO COMPANHIA BRASILEIRA DE DISTR CBD

Form 6-K

November 16, 2005

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 November 2005

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

Av. Brigadeiro Luiz Antonio,
3126 São Paulo, SP 01402-901
Brazil
(Address of Principal Executive Offices)

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

Form 20-F Form 40-F

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

Yes No

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

Yes No

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

Yes No

Companhia Brasileira de Distribuição

*Report of Independent Accountants
on the Limited Review of the
Quarterly Information (ITR)*

September 30, 2005

A free translation from Portuguese into English of Special Review Report of Independent Auditors on quarterly financial information prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and specific standards issued by IBRACON (Institute of Independent Auditors of Brazil), CFC (Federal Board of Accountancy) and CVM (Brazilian Security Exchange Commission)

SPECIAL REVIEW REPORT OF INDEPENDENT AUDITORS

To the
Board of Directors and Shareholders of
Companhia Brasileira de Distribuição

1. We have conducted a special review of the quarterly information (ITR) of Companhia Brasileira de Distribuição (Company) and Companhia Brasileira de Distribuição and its subsidiaries, for the quarter and nine-month period ended September 30, 2005, which comprised the balance sheets, statements of income, report on the company's performances and other relevant information, prepared by the company's management in accordance with the accounting practices adopted in Brazil. The financial information related to Pão de Açúcar Fundo de Investimento em Direitos Creditórios, the Company's investment in which amounts to R\$182,180 thousand as of September 30, 2005 (R\$170,278 thousand as of June 30, 2005) and the corresponding results of which amount to R\$11,903 thousand for the quarter and R\$23,739 thousand for the nine-month period ended September 30, 2005 (R\$17,683 thousand for the quarter and R\$48,872 thousand for the nine-month period ended September 30, 2004) were reviewed by other independent auditors. At September 30, 2005, total assets and net income for the nine-month period then ended, resulting from this investee, represent 8.5% and 12.4%, respectively, in relation to the Company's consolidated quarterly information (16.9% of net income for the quarter ended September 30, 2005, 19% for the nine-month period ended September 30, 2004 and 10.3% for the quarter ended September 30, 2004). Likewise, the quarterly information of Miravalles Empreendimentos e Participações S.A., the Company's investment in which amounts to R\$66,057 thousand as of September 30, 2005 (R\$72,448 thousand as of June 30, 2005) and the losses of which, calculated through the equity pick-up method, total R\$6,391 thousand for the quarter and R\$12,183 thousand for the nine-month period ended September 30, 2005 (profit of R\$4.538 in the period between the constitution date in July 20, 2004, and September 30, 2004), were reviewed by other independent auditors. At September 30, 2005, total assets and net income for the nine-month period then ended of the referred to investee represent, respectively, 0.6% and 6.3% in relation to the Company's consolidated quarterly information (0.6% of assets as of June 30, 2005, 9.1% of net income for the quarter ended September 30, 2005 and 1.8% of the net income for the period ended in September 30, 2004). Our special review report concerning assets, liabilities and result of operations of said investees is exclusively based on the special review report of such independent auditors.
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2. Our review was conducted in accordance with specific standards established by the Institute of Independent Auditors of Brazil (IBRACON), in conjunction with the Federal Board of Accountancy (CFC), and consisted principally of: (a) inquiries of and discussions with management responsible for the Company's accounting, financial and operational areas, in respect to the main criteria adopted for preparing the Quarterly Information; and (b) review of information and subsequent events which have, or could have, relevant effects on the Company's financial position and operations.
3. Based on our special review and on the limited review report of the other independent auditors, we are not aware of any material modification that should be made to the above mentioned Quarterly Information for it to comply with the accounting practices adopted in Brazil and regulations established by the Brazilian Securities Commission (CVM) specifically concerning the disclosure of Quarterly Information.
4. Our review was carried out to enable us to issue a report on the special review of the Quarterly Information ITR referred to in the first paragraph, taken as a whole. The statements of changes of cash flow and of added value of Companhia Brasileira de Distribuição and Companhia Brasileira de Distribuição and its subsidiaries, for the nine-month period ended September 30, 2005 and 2004, prepared in accordance with the accounting practices adopted in Brazil, presented to provide supplementary information about the Company and its subsidiaries, are not a required component of the Quarterly Information. These statements were submitted to the review procedures described in the second paragraph and, based on our review and based on the informations from the quarterly information reviewed by other independent auditors, we are not aware of any significant adjustment to be made to these supplementary statements for them to be fairly presented, in all material respects, in relation to the Quarterly Information for the quarter ended September 30, 2005 and 2004

São Paulo, November 4, 2005

ERNST & YOUNG
Auditores Independentes S.S.
CRC 2SP015199/O-6

Sergio Ricardo Romani
Accountant CRC 1RJ072321/S-0

**FEDERAL GOVERNMENT SERVICE
BRAZILIAN SECURITIES COMMISSION (CVM)
QUARTERLY FINANCIAL INFORMATION (ITR)
COMMERCIAL, INDUSTRIAL AND OTHER**

**Unaudited
Corporation Legislation
September 30, 2005**

REGISTRATION WITH CVM SHOULD NOT BE CONSTRUED AS AN APPRECIATION ON THE COMPANY. COMPANY MANAGEMENT IS RESPONSIBLE FOR THE INFORMATION PROVIDED.

01.01 IDENTIFICATION

1 CVM CODE 01482-6	2 COMPANY NAME COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO	3 - Brazilian Revenue Service Registry of Legal Entities CNPJ 47.508.411/0001-56
4 Registration Number NIRE 35900089901		

01.02 - HEAD OFFICE

1 FULL ADDRESS Avenida Brigadeiro Luís Antônio, 3142		2 - SUBURB OR DISTRICT Jardim Paulista		
3 ZIP CODE 01402-000		4 MUNICIPALITY SÃO PAULO		5 STATE SP
6 AREA CODE 011	7 TELEPHONE 3886-0533	8 TELEPHONE	9 TELEPHONE	10 TELEX
11 AREA CODE 011	12 FAX 3884-7177	13 FAX	14 - FAX	
15 E-MAIL <u>cbd.ri@paodeacucar.com.br</u>				

01.03 INVESTOR RELATIONS OFFICER (Company Mail Address)

1 NAME Fernando Queiroz Tracanella		2 - FULL ADDRESS Av. Brigadeiro Luís Antônio, 3142		
3 SUBURB OR DISTRICT Jardim Paulista		4 - ZIP CODE 01402-000	5 MUNICIPALITY SÃO PAULO	6 STATE SP
7 AREA CODE 011	8 TELEPHONE 3886-0421	9 TELEPHONE	10 - TELEPHONE	11 TELEX
12 - AREA CODE 011	13 FAX 3884-2677	14 FAX	15 - FAX	
16 - E-MAIL <u>cbd.ri@paodeacucar.com.br</u>				

01.04 GENERAL INFORMATION / INDEPENDENT ACCOUNTANT

CURRENT YEAR		CURRENT QUARTER			PRIOR QUARTER		
1-BEGINNING	2-END	3-QUARTER	4-BEGINNING	5-END	6-QUARTER	7-BEGINNING	8-END

1/1/2005	12/31/2005	3	7/1/2005	9/30/2005	2	4/1/2005	06/30/2005
9 - AUDITOR Ernst & Young Auditores Independentes S/S							10-CVM CODE 00471-5
11-NAME OF RESPONSIBLE PARTNER Sergio Ricardo Romani					12-INDIVIDUAL TAXPAYERS' REGISTRATION - CPF 728.647.617-34		

01.05 CAPITAL COMPOSITION

Number of shares (THOUSAND)	Current Quarter 09/30/2005	Prior quarter 06/30/2005	Same quarter in prior year 09/30/2004
Subscribed Capital			
1 Common	49,839,926	49,839,926	63,470,811
2 Preferred	63,682,313	63,682,313	50,051,428
3 Total	113,522,239	113,522,239	113,522,239
Treasury Stock			
4 Common	0	0	0
5 Preferred	0	0	0
6 Total	0	0	0

01.06 CHARACTERISTICS OF THE COMPANY

1 - TYPE OF COMPANY Commercial, industrial and others
2 - SITUATION Operating
3 - SHARE CONTROL NATURE Private national
4 - ACTIVITY CODE 119 Supermarkets
5 MAIN ACTIVITY Retail Trade
6 - CONSOLIDATION TYPE Partial
7 - TYPE OF REPORT OF INDEPENDENT ACCOUNTANTS Unqualified

01.07 COMPANIES EXCLUDED FROM THE CONSOLIDATED FINANCIAL STATEMENTS

1 ITEM	2 CNPJ	3 NAME
01	06.048.737/0001-60	NOVA SAPER PARTICIPAÇÕES LTDA

01.08 DIVIDENDS APPROVED AND/OR PAID DURING AND AFTER THE QUARTER

1 ITEM	2 EVENT	3 - DATE APPROVED	4 YIELD	5 - DATE OF PAYMENT	6 - TYPE OF	7 YIELD PER

01.09 SUBSCRIBED CAPITAL AND ALTERATIONS IN CURRENT YEAR

1 ITEM	2 CHANGE DATE	3 - CAPITAL (IN THOUSANDS OF REAIS)	4 - CHANGE AMOUNT (IN THOUSANDS OF REAIS)	5 - CHANGE NATURE	7 - NUMBER OF SHARES ISSUED (THOUSAND)	8 - SHARE PRICE ON ISSUE DATE (IN REAIS)

01.10 INVESTOR RELATIONS OFFICER

1 DATE	2 SIGNATURE

A free translation from Portuguese into English of quarterly financial information prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and specific norms issued by IBRACON, CFC and CVM

**FEDERAL GOVERNMENT SERVICE
BRAZILIAN SECURITIES COMMISSION (CVM)
QUARTERLY FINANCIAL INFORMATION (ITR)
COMMERCIAL, INDUSTRIAL AND OTHER**

**Unaudited
Corporation
Legislation
September 30, 2005**

01.01 - Identification

1 - CVM CODE	2 Name	3 Brazilian Revenue Service Registry of Legal Entities - CNPJ
01482-6	COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO	47.508.411/0001-56

02.01 - Balance Sheet - Assets (Thousands of reais)

1 - CODE	2 Description	3 9/30/2005	4 - 6/30/2005
1	Total assets	8,420,363	8,506,535
1.01	Current assets	2,324,190	1,920,674
1.01.01	Available funds	712,186	218,416
1.01.01.01	Cash and banks	55,272	45,598
1.01.01.02	Financial investments	656,914	172,818
1.01.02	Receivables	771,230	955,614
1.01.02.01	Trade accounts receivable	259,291	370,463
1.01.02.02	Advances to suppliers and employees	39,309	42,763
1.01.02.03	Taxes recoverable	356,768	371,206
1.01.02.04	Other receivables	144,028	171,182
1.01.02.05	Properties for sale	1,000,834	0
1.01.02.06	Advance on properties sale	(1,029,000)	0
1.01.03	Inventories	816,212	712,751
1.01.04	Other	24,562	33,893
1.01.04.01	Prepaid expenses	24,562	33,893
1.02	Long-term receivables	1,359,451	1,297,428
1.02.01	Sundry receivables	498,032	483,274
1.02.01.01	Receivables securitization fund	182,180	170,278
1.02.01.02	Deferred income tax	86,510	82,904
1.02.01.03	Judicial deposits	193,159	179,088
1.02.01.04	Other accounts receivable	33,556	47,773
1.02.01.05	Prepaid expenses	2,627	3,231
1.02.02	Receivables from related companies	861,419	814,154

1.02.02.01	Associated companies	0	0
1.02.02.02	Subsidiary companies	861,419	814,154
1.02.02.02.01	Subsidiary companies	861,419	814,154
1.02.02.03	Other related companies	0	0
1.02.03	Other	0	0
1.03	Permanent assets	4,736,722	5,288,433
1.03.01	Investments	1,269,400	1,023,126
1.03.01.01	Associated companies	0	0
1.03.01.02	Subsidiary companies	1,269,400	1,023,126
1.03.01.03	Other	0	0
1.03.01.03.01	Investments in Other Companies	0	0
1.03.02	Property and equipment	2,994,159	3,814,333
1.03.02.01	Land	382,524	814,609
1.03.02.02	Buildings	1,356,715	1,841,885
1.03.02.03	Building improvements	697,444	640,039
1.03.02.04	Equipment	309,554	301,882
1.03.02.05	Installations	77,627	77,248
1.03.02.06	Furniture and fixtures	87,683	82,808
1.03.02.07	Vehicles	755	890
1.03.02.08	Work in Progress	78,409	51,329
1.03.02.09	Other	3,448	3,643
1.03.03	Deferred charges	473,163	450,974

02.02 - Balance Sheet - Liabilities and Shareholders' Equity (Thousands of reais)

1 - CODE	2 Description	3 9/30/2005	4 6/30/2005
2	Total liabilities and shareholders' equity	8,420,363	8,506,535
2.01	Current liabilities	1,841,829	2,063,552
2.01.01	Loans and financing	457,632	852,224
2.01.02	Debentures	0	65,028
2.01.03	Suppliers	909,460	786,322
2.01.04	Taxes, charges and contributions	68,211	75,514
2.01.04.01	Taxes on sales	2,022	1,671
2.01.04.02	Tax installments	45,221	44,278
2.01.04.03	Provision for income tax	20,968	29,565
2.01.05	Dividends payable	0	4,905
2.01.06	Provisions	49,427	51,134
2.01.06.01	Provision for net capital deficiency	49,427	51,134
2.01.07	Payables to related companies	33,685	27,627
2.01.07.01	Payables to related companies	33,685	27,627
2.01.08	Other liabilities	323,414	200,798
2.01.08.01	Salaries and related contributions	145,275	125,683
2.01.08.02	Public services	4,586	4,236
2.01.08.03	Rents	14,300	13,799
2.01.08.04	Advertising	3,557	2,821
2.01.08.05	Insurance	318	720
2.01.08.06	Purchase of assets	43,754	11,921
2.01.08.07	Other accounts payable	111,624	41,618
2.02	Long-term liabilities	2,335,342	2,270,093
2.02.01	Loans and financing	546,426	516,529
2.02.02	Debentures	401,490	401,490
2.02.03	Provisions	0	0
2.02.04	Payables to related companies	0	0
2.02.05	Other liabilities	1,387,426	1,352,074
2.02.05.01	Provision for contingencies	974,618	934,934
2.02.05.02	Tax installments	305,244	309,946
2.02.05.03	Purchase of assets	3,245	3,193
2.02.05.04	Others	104,319	104,001
2.03	Deferred income	0	0
2.05	Shareholders' equity	4,243,192	4,172,890
2.05.01	Paid-up capital	3,673,795	3,673,795
2.05.02	Capital reserves	0	0
2.05.02.01	Tax Incentives	0	0
2.05.02.02	Subscription bonus	0	0
2.05.03	Revaluation reserves	0	0
2.05.03.01	Own assets	0	0
2.05.03.02	Subsidiary/associated companies	0	0

2.05.04	Revenue reserves	569,397	499,095
2.05.04.01	Legal	105,948	105,948
2.05.04.02	Statutory	0	0
2.05.04.03	For contingencies	0	0
2.05.04.04	Unrealized profits	4,069	4,069
2.05.04.05	Retention of profits	218,920	148,618
2.05.04.06	Special for undistributed dividends	0	0
2.05.04.07	Other	240,460	240,460
2.05.04.07.01	Reserve for expansion	240,460	240,460
2.05.05	Retained earnings/accumulated deficit	0	0

03.01 - STATEMENT OF INCOME FOR THE QUARTER (Thousands of reais)

1 CODE	2 DESCRIPTION	3 07/01/2005 to 09/30/2005	4 01/01/2005 to 09/30/2005	5 07/01/2004 to 09/30/2004	6 01/01/2004 to 09/30/2004
3.01	Gross sales and/or services	2,686,891	8,142,277	2,633,184	7,773,275
3.02	Deductions	(470,608)	(1,433,035)	(485,579)	(1,450,020)
3.03	Net sales and/or services	2,216,283	6,709,242	2,147,605	6,323,255
3.04	Cost of sales and/or services rendered	(1,534,937)	(4,718,772)	(1,519,630)	(4,480,720)
3.05	Gross profit	681,346	1,990,470	627,975	1,842,535
3.06	Operating (expenses) income	(592,933)	(1,735,169)	(552,485)	(1,664,107)
3.06.01	Selling	(383,230)	(1,111,406)	(340,637)	(991,268)
3.06.02	General and administrative	(71,927)	(218,554)	(74,196)	(249,108)
3.06.03	Financial	(44,591)	(120,587)	(42,188)	(137,613)
3.06.03.01	Financial income	87,861	264,332	61,013	209,787
3.06.03.02	Financial expenses	(132,452)	(384,919)	(103,201)	(347,400)
3.06.04	Other operating income	0	0	0	0
3.06.05	Other operating expenses	(107,996)	(312,215)	(116,379)	(309,486)
3.06.05.01	Other taxes and charges	(8,797)	(26,580)	(9,174)	(25,693)
3.06.05.02	Depreciation and amortization	(100,905)	(288,424)	(107,205)	(283,793)
3.06.05.03	Gain (loss) on investment in subsidiary company	1,706	2,789	0	0
3.06.06	Equity in the results of subsidiary and associated companies	14,811	27,593	20,915	23,368
3.07	Operating profit	88,413	255,301	75,490	178,428
3.08	Nonoperating results	1,752	4,423	91,508	91,314
3.08.01	Revenue	1,752	6,581	91,508	91,637
3.08.02	Expenses	0	(2,158)	0	(323)
3.09	Income before taxation and profit sharing	90,165	259,724	166,998	269,742
3.10	Provision for income tax and social contribution	(20,976)	(74,537)	0	(24,072)
3.11	Deferred income tax	3,613	13,015	3,999	11,451

3.12	Statutory profit sharing and contributions	(2,500)	(6,000)	0	0
3.12.01	Profit sharing	(2,500)	(6,000)	0	0
3.12.02	Contributions	0	0	0	0
3.13	Reversal of interest on shareholders' equity	0	0	0	0
3.15	Net income for the quarter/six-month period	70,302	192,202	170,997	257,121
	Number of shares, ex-treasury (in thousands)	113,522,239	113,522,239	113,522,239	113,522,239
	Net income per share	0.00062	0.00169	0.00151	0.00226
	Loss per share				

04.01 - Notes to the Quarterly Financial Information (All amounts in thousands of reais, except when indicated)

1. Operations

Companhia Brasileira de Distribuição ("Company") operates primarily as a retailer of food, apparel, home appliances and other products through its chain of hypermarkets, supermarkets, specialized and department stores primarily under the trade names "Pão de Açúcar", "Extra", "Barateiro", "Comprebem", "ExtraEletro" and Sendas. At September 30, 2005, the Company had 555 stores in operation (553 stores in June 30, 2005), of which 374 are owned by the Company, 7 stores are operated by the subsidiary Novasoc Comercial Ltda., ("Novasoc"), 60 stores are operated by the subsidiary Sé Supermercados Ltda., ("Sé"), 8 stores are operated by the subsidiary Companhia Pernambucana de Alimentação ("CIPAL") and 106 stores are operated by Sendas Distribuidora S.A. ("Sendas Distribuidora").

On December 3, 2003, an Investment and Association Agreement was entered into with Sendas S.A. ("Sendas"). As a result of such agreement, on February 1, 2004, the subsidiary Sendas Distribuidora, which concentrates retailing activities of the Company and of Sendas in the State of Rio de Janeiro, began its operations.

According to the relevant fact disclosed on July 27, 2004, a Memorandum of Understanding was executed between Banco Itaú Holding Financeira S.A. ("Itaú") and the Company, for partnership formation with the creation of a new financial institution in the market named Financeira Itaú CBD S.A. ("FIC"). This financial institution deals in structuring and trading of financial and related products and services for CBD customers, on an exclusiveness basis.

2. Significant Accounting Policies and Consolidation Criteria

The quarterly information is the responsibility of the Company's management and has been prepared in accordance with the provisions established by the Brazilian Corporation Law and specific norms issued by the Brazilian Securities Commission (CVM), based on the same accounting principles and practices used for preparing annual financial statements.

2. Significant Accounting Policies and Consolidation Criteria - Continued

Investments corresponding to the equity in the results of investees, and intercompany transactions have been eliminated on consolidation of the financial information of the Company and its subsidiaries Novasoc, Sé, CIPAL, Sendas Distribuidora, Pão de Açúcar Fundo de Investimento em Direitos Creditórios ("Securitization Fund"), and Versalhes Comércio de Produtos Eletrônicos Ltda. (Versalhes).

In accordance with CVM Instruction No. 408/2004, the Company has included the Securitization Fund on consolidation of its quarterly information at September 30, 2005 and June 30, 2005. Accordingly, certain modifications have been made to the September 30, 2004 and June 30, 2004 consolidated statement of income, presented for comparative purposes, thereby including the Securitization Fund amounts as of that date. The Securitization Fund s results of operation were consolidated in net financial income/expenses. See Note 3 (b).

In accordance with CVM Instruction No. 247/96, financial information of the subsidiary Nova Saper Participações Ltda. ("Nova Saper") has not been included in the consolidated financial reporting of the Company, given that it does not represent any significant change to the consolidated economic unit.

The subsidiary Sendas Distribuidora has been fully consolidated, based on the shareholders agreement whereby it is incumbent on the Company to conduct the operational and administrative management, as well as to have prevailing decision when electing or removing officers. Equity investment takes into consideration an equity interest of 42.57% of the capital.

2. Significant Accounting Policies and Consolidation Criteria - Continued

In preparing financial information, the use of estimates for determining and recording certain assets, liabilities, and other transactions is required. These financial information, Parent company and Consolidated, include therefore various estimates, the main ones related to determination of useful lives of property and equipment items, provisions for contingencies, provisions for income tax and other similar items. The final results of these transactions and information, when the respective realization occurs in subsequent periods, could differ from these estimates.

3. Trade Accounts Receivablea) Composition

	Parent Company		Consolidated	
	09.30.2005	06.30.2005	09.30.2005	06.30.2005
Current				
Credit card	132,896	143,949	168,596	192,100
Customer credit financing	16,089	144,612	17,519	156,999
Sales vouchers and others	10,941	6,719	18,635	13,744
Installment sales	13,223	12,080	19,592	23,743
Accounts receivable - parent and subsidiaries	87,895	77,902	-	-
Allowance for doubtful accounts	(1,753)	(14,799)	(2,655)	(17,526)
	259,291	370,463	221,687	369,060
Accounts receivable - Securitization Fund	-	-	669,511	633,358
Allowance for doubtful accounts	-	-	(2,566)	(5,564)
	-	-	666,945	627,794
	259,291	370,463	888,632	996,854
Noncurrent				
Customer credit financing and others	33,556	47,773	33,570	49,014
Accounts receivable - Paes Mendonça	-	-	294,035	295,304
	33,556	47,773	327,605	344,318

Credit card sales are paid in installments of up to 12 months.

3. Trade Accounts Receivable -- Continued

a) Composition -- Continued

Installment sale operations are subject to prefixed interest of up to 5.5% (06.30.2005 up to 5.5%) per month, with maturity of up to 24 months. Installment sales represent post-dated checks which, at quarter end, accrue fixed interest of up to 6.5% per month (6.9% in 06.30.2005) for settlement in up to 60 days.

Customer credit financing operations and installment sales are recorded by values net of the financial charges mentioned.

This quarter FIC effectively assumed the consumer credit operations of CBD and its subsidiaries and, at the end of September 2005, the Company transferred to FIC its consumer credit portfolio amounting to R\$105,137 thousand, which includes the accrued allowance for doubtful accounts.

Accounts receivable from subsidiaries (Novasoc, Sé, CIPAL, Sendas Distribuidora and Versalhes) relate to sales of merchandise by the Company, to supply the subsidiaries' stores. Sale of merchandise by the Company's distribution center to subsidiaries were substantially carried out at cost.

Accounts receivable - Paes Mendonça - relate to accounts receivable for the payment of liabilities by the subsidiary Novasoc. Pursuant to contractual provisions, these accounts receivable are monetarily restated and guaranteed by goodwill of certain stores currently operating. Maturity of accounts receivable is linked to lease agreements, mentioned in Note 7 (b).

The allowance for doubtful accounts is based on average actual losses in previous periods complemented by management's estimate of probable future losses on outstanding receivables:

3. Trade Accounts Receivable --Continueda) Composition -- Continued

	Parent Company		Consolidated	
	09.30.2005	06.30.2005	09.30.2005	06.30.2005
Customer credit financing	(1,260)	(12,259)	(1,476)	(14,174)
Installment sales (post-dated checks)	(208)	(2,308)	(424)	(2,718)
Other trade accounts receivable	(285)	(232)	(755)	(634)
	(1,753)	(14,799)	(2,655)	(17,526)
Accounts Receivable Securitization				
Fund	-	-	(2,566)	(5,564)
	(1,753)	(14,799)	(5,221)	(23,090)

The basic policies for establishing this allowance are as follows:

Retail

. Customer credit financing - based on historical loss indices over the past 12 months; the receivables overdue for more than 180 days are recorded against the allowance.

. Installment sales (post-dated checks) - based on the historical average indices of checks returned and recoveries over the past 12 months; bounced checks are recorded against the allowance after all legal procedures have been exhausted.

. Credit card and sales vouchers - an allowance for doubtful accounts is not required as credit risks are substantially assumed by third parties.

3. Trade Accounts Receivable -- Continued

a) Composition -- Continued

Securitization Fund

. The allowance is set up based on the credit portfolio assessment as well as on criteria defined by the Fund regulation (described below), and is considered sufficient to cover possible losses on realization of receivables overdue.

. For credit card and food purchase ticket receivables, beginning on the 4th (fourth) day after the maturity date inclusive, 100% of the amount receivable is recorded as loss. For check receivables, loss is recorded beginning on the 16th day after the maturity date.

. For direct consumer credit (DCC), 100% of the amount receivable is recorded as loss beginning on the 30th day after the maturity date.

b) Receivables securitization fund

The Pão de Açúcar Receivables Securitization Fund (Fund), set up on September 19, 2003, is managed by Concórdia S.A. Corretora de Valores Mobiliários, Câmbio e Commodities ("Concórdia") and is a securitization fund of receivables of the Company and its subsidiaries. At September 30, 2005, the Company held 2,439 subordinate shares of the Securitization Fund, equivalent to R\$ 182,180, with a unit value of R\$ 74.69 (2,439 shares equivalent to R\$ 170,278, with unit value of R\$ 69.81 as of June 30, 2005), representing 20.5% of the total Securitization Fund shares, the remaining shares of which are held by third parties.

The risk classification attributed to the fund is AA(bra), carried out by Fitch Ratings (Not reviewed).

Characteristics of the fund shares:

3. Trade Accounts Receivable -- Continuedb) Receivables securitization fund -- Continued

Types of shares	Quantity	Earnings	Redemption date
Senior A	5,826	105% of CDI	07/04/2008
Senior B	4,300	101% of CDI	07/04/2008
Subordinate (*)	2,439	(*)	
Total	12,565		

Fund earnings: The fund seeks profitability (*benchmark*), in the average and long-term, varying between 105% and 101% of the average daily rate of 01 (one) day Interbank Deposits. Should the fund reach the previously-defined *benchmark*, all exceeding profitability will be attributed to subordinate shares only, reason why the value of such shares may differ from the senior shares value.

(*) The effects of the default in any of the credit rights acquired by the fund and of any losses experienced by the fund will be attributed to subordinate shares until the limit equivalent to the total sum of such shares. Once said sum has been exceeded, the default will impact the senior shares. Subordinate shares may only be amortized or redeemed after amortization or redemption of the senior shares.

The summarized Fund balance sheet as of September 30, 2005 and June 30, 2005 is shown below:

3. Trade Accounts Receivable -- Continuedb) Receivables securitization fund -- Continued

	09.30.2005	06.30.2005
Assets		
Available funds	222,664	216,767
Accounts receivable	669,511	633,358
Allowance for doubtful Accounts	(2,566)	(5,564)
Other	-	1
Total of assets	889,609	844,562
Liabilities		
Accounts payable	246	201
Equity	889,363	844,361
Total of liabilities	889,609	844,562

With the consolidation of the Fund, senior shares were recorded as "Redeemable securitization fund shares", in Noncurrent liabilities , in the amount of R\$ 707,183 at September 30, 2005 (R\$ 674,083 at June 30, 2005).

4. Inventories

	Parent company		Consolidated	
	09.30.2005	06.30.2005	09.30.2005	06.30.2005
Stores	529,445	464,109	769,424	693,054
Distribution centers	286,767	248,642	343,847	290,806
	816,212	712,751	1,113,271	983,860

5. Taxes Recoverable

The balances of taxes recoverable at September 30, 2005 and June 30, 2005 refer basically to credits from IRRF (Withholding Income Tax), PIS (Social Integration Program Tax), Cofins (Social Contribution on Revenues), ICMS (State Value-Added Tax) recoverable, among others.

6. Balances and Transactions with Related Parties

Company	Balances			Transactions ended September 30, 2005				
	Accounts Receivable (Payables)	Trade commissions receivable (payable)	Proposed dividends	Services rendered and rents	Net Sales	Interest of 4th issue debentures	Net Financial Income	Dividends Paid
Pão de Açúcar S.A. Ind.e Com.	(1,568)	-	-	-	-	-	-	(4,905)
Casino Guichard Perrachon ("Casino")	-	-	-	953	-	1,629	-	-
Novasoc	18,712	(30,054)	-	5,500	136,438	-	-	-
Sé	32,871	624,652	-	12,377	324,118	-	-	-
CIPAL	3,546	(3,631)	-	1,441	184,244	-	-	-
Sendas Distribuidora	31,185	225,326	-	79,942	32,587	-	15,790	-
Versalhes	(68,666)	4,190	-	-	(95,898)	-	-	-
Others	-	7,251	-	11,030	-	-	-	-
Balance at 09.30.2005	16,080	827,734	-	111,243	581,489	1,629	15,790	(4,905)
Balance at 06.30.2005	53,447	786,527	(4,905)	73,302	424,598	1,200	15,790	(60,400)

6. Balances and Transactions with Related Parties -- Continued

Accounts receivable and sale of goods relate to the supply of stores, mainly of Novasoc, Sé, CIPAL and Sendas Distribuidora, by the Company's distribution center and were made substantially at cost; the remaining transactions with related parties are carried out at usual market prices and conditions. The trade commission contracts with related parties are subject to financial charges equivalent to the administration fee on such trade commissions.

(i) Related-party financing

In November 2000, the Casino Group subscribed 41,962 convertible fourth issue debentures of the Company, of a total of 100 thousand convertible debentures. Expenses with accrued interest related to such debentures amounted to R\$ 429 for the quarter ended in September 30, 2005 (R\$ 613 at second quarter of 2005).

(ii) Leases

CBD leases 22 properties from the Diniz family. In the quarter ended in September 30, 2005, such leases totaled R\$ 3,649 (R\$ 3,601 in the second quarter of 2005).

Sendas Distribuidora leases 57 properties from the Sendas family and 7 properties from CBD. During the quarter ended in September 30, 2005, the total lease paid amounted to R\$ 8,950 and R\$ 1,196 (R\$ R\$ 8,884 and R\$ 1,200 in the second quarter of 2005), respectively.

Such leases were agreed under terms similar to those that would have been established had they been agreed with non-related parties.

(iii) Right of use of the Goodlight brand

In the third quarter of 2005, the Company paid the amount of R\$ 57 (R\$ 57 in the second quarter of 2005) for the right of use of the Goodlight brand, owned by a shareholder of the Company.

6. Balances and Transactions with Related Parties -- Continued*(iv) Apportionment of corporate expenses*

Apportioned costs will be passed on to subsidiaries and affiliated companies by the amount effectively incurred with such services.

(v) Technical Assistance - Casino

In July 2005, CBD entered into a Technical Assistance Service Agreement (denominated "Technical Assistance Agreement") with its shareholder Casino, in the total annual amount in Brazilian reais corresponding to US\$ 3 million, of which the subject matter is the rendering of services by Casino to CBD, involving technical assistance in the areas of human resources, own trade marks, marketing and communication, global campaigns and administrative assistance, among others. This agreement is effective for 7 years, after which term it shall be automatically renewed for an undetermined period. This agreement was approved by a Board of Directors meeting and an Extraordinary General Meeting held on August 16, 2005. The Company paid in the 3rd quarter 2005 the amount of R\$ 953, related to this technical assistance.

7. Investmentsa) Information on investments at September 30, 2005

	Shares Held	Holding - %	Capital	Shareholders' equity (capital deficiency)	Net income (loss) for the Year
Novasoc	1,000	10.00	10	(48,955)	2,168
Sé	1,133,990,699	91.92	1,233,671	1,170,728	18,640
Sendas Distribuidora	450,001,000	42.57	835,677	684,090	(27,681)
Nova Saper	36,362	99.99	0.4	100	-
Versalhes	10,000	90.00	10	(526)	(516)

7. Investments -- Continuedb) Changes in investments

	Balances at 06.30.2005	Addition	Equity Accounting Gain (loss)	Goodwill Amortization	Merger	Transfer to Differed Assets	Transfer to provision for Capital Deficiency	Balances at 09.30.2005
Novasoc	-	-	2,168	-	-	-	(2,168)	-
Versalhes	-	-	(462)	-	-	-	462	-
Sé	997,582	236,845	15,520	(5,356)	-	-	-	1,244,591
Sendas								
Distribuid.	23,341	-	(709)	-	-	-	-	22,632
Nova								
Saper	2,097	-	-	(26)	-	-	-	2,071
Others	106	-	-	-	-	-	-	106
Parent Company	1,023,126	236,845	16,517	(5,382)	-	-	(1,706)	1,269,400