

4th Quarter 2017 and 2017 Results

February 20, 2018

4Q17 Highlights

Result impacted by lower dilution of expenses: food deflation and renovation of 50 Pão de Açúcar stores

R$ Million Δ% vs 4Q16	Consolidated		Food Business		Multivarejo		Assaí	
Net sales	**12,510**	**+6.6%**	**12,510**	**+6.6%**	**7,066**	**-5.6%**	**5,444**	**+27.9%**
Gross profit	**3,104**	**+14.9%**	**3,104**	**+14.9%**	**2,122**	**+5.4%**	**982**	**+43.0%**
Gross margin	24.8%	+180bps	24.8%	+180bps	30.0%	+310bps	18.0%	+190bps
SG&A	**-2,161**	**+8.5%**	**-2,161**	**+8.5%**	**-1,580**	**+1.9%**	**-581**	**+32.1%**
SG&A (% net sales)	17.3%	+30bps	17.3%	+30bps	22.4%	+170bps	10.7%	+40bps
Adjusted EBITDA[(1)]	**931**	**+28.2%**	**971**	**+30.8%**	**568**	**+14.8%**	**403**	**+62.5%**
Adjusted EBITDA Margin	7.4%	+120bps	7.8%	+150bps	8.0%	+140bps	7.4%	+160bps
Net Income (Loss) - Controlling Shareholders - continuing operations	**215**	**n.a.**	**254**	**n.a.**	**0**	**n.a.**	**254**	**+73.6%**
Net margin - continuing operations	1.7%	+180bps	2.0%	+190bps	n.a	n.a.	4.7%	+130bps
Net Income (Loss) - Controlling Shareholders-continuing and discontinued operations	**297**	**n.a.**	**258**	**n.a.**	**4**	**n.a.**	**254**	**+73.6%**
Net margin-continuing and discontinued operations	2.4%	+270bps	2.1%	+230bps	0.1%	+240bps	4.7%	+130bps

Gross Profit and Adjusted Ebitda excluding non-recurring credits[(*)]

R$ Million Δ% vs 4Q16	Consolidated		Food Business		Multivarejo		Assaí	
Gross Profit excl. tax credits	**2,755**	**+2.0%**	**2,755**	**+2.0%**	**1,887**	**-6.3%**	**868**	**+26.4%**
Gross Margin excl. tax credits	22.0%	-100bps	22.0%	-100bps	26.7%	-20bps	15.9%	-20bps
Adjusted EBITDA excl. tax credits[(1)]	**582**	**-19.9%**	**621**	**-16.3%**	**332**	**-32.8%**	**289**	**+16.5%**
Adjusted EBITDA Margin excl. tax credits	4.7%	-150bps	5.0%	-130bps	4.7%	-190bps	5.3%	-50bps

[(1)] EBITDA adjusted for Other Operating Income and Expenses (*) Excludes non-recurring effects: At Multivarejo, a total of R$ 246 million in tax credits related to previous years were recognized in 4Q17, along with the impact of the write-off of inventory and deductibles resulting from the fire at the Osasco Distribution Center in Dec/2017 in the amount of -R$10 million. At Assaí, a total of R$ 114 million was recognized as tax credits related to 9M17.

2017 Highlights

Increase in profitability across all formats with market share gains in all Nielsen measurements during the year

R$ Million Δ% vs 2016	Consolidated		Food Business		Multivarejo		Assaí	
Net sales	**44,634**	**+7.7%**	**44,634**	**+7.7%**	**26,195**	**-2.9%**	**18,440**	**+27.3%**
Gross profit	**10,704**	**+12.4%**	**10,704**	**+12.4%**	**7,763**	**+5.6%**	**2,941**	**+35.5%**
Gross margin	24.0%	+100bps	24.0%	+100bps	29.6%	+230bps	15.9%	+90bps
SG&A	**-7,778**	**+4.4%**	**-7,778**	**+4.4%**	**-5,860**	**-1.6%**	**-1,918**	**+28.4%**
SG&A (% net sales)	17.4%	-60bps	17.4%	-60bps	22.4%	+30bps	10.4%	+10bps
Adjusted EBITDA[1]	**2,920**	**+33.6%**	**3,044**	**+38.3%**	**2,015**	**+32.6%**	**1,029**	**+51.0%**
Adjusted EBITDA Margin	6.5%	+120bps	6.8%	+150bps	7.7%	+210bps	5.6%	+90bps
Net Income (Loss) - Controlling Shareholders - continuing operations	**482**	**n.a.**	**606**	**n.a.**	**66**	**n.a.**	**540**	**+91.0%**
Net margin - continuing operations	1.1%	+130bps	1.4%	+150bps	0.3%	+160bps	2.9%	+90bps
Net Income (Loss) - Controlling Shareholders-continuing and discontinued operations	**619**	**n.a.**	**573**	**n.a.**	**33**	**n.a**	**540**	**+91.0%**
Net margin-continuing and discontinued operations	1.4%	+260bps	1.3%	+160bps	0.1%	+160bps	2.9%	+90bps

Gross Profit and Adjusted Ebitda excluding non-recurring credits[(*)]

R$ Million Δ% vs 2016	Consolidated		Food Business		Multivarejo		Assaí	
Gross Profit excl. tax credits	**10,000**	**+8.3%**	**10,000**	**+8.3%**	**7,059**	**-1.0%**	**2,941**	**+40.0%**
Gross Margin excl. tax credits	22.4%	+10bps	22.4%	+10bps	26.9%	+50bps	15.9%	+140bps
Adjusted EBITDA excl. tax credits[1]	**2,217**	**+16.8%**	**2,341**	**+22.3%**	**1,312**	**+0.8%**	**1,029**	**+68.0%**
Adjusted EBITDA Margin excl. tax credits	5.0%	+40bps	5.2%	+60bps	5.0%	+20bps	5.6%	+140bps

[1] EBITDA adjusted for Other Operating Income and Expenses (*) Excludes non-recurring effects: At Multivarejo, a total of R$ 714 million was recognized in 2017, relating to tax credits and the impact of the write-off of inventory and deductibles relating to the fire at the Osasco Distribution Center in Dec/2017 in the amount of -R$10 million.

4Q17 Highlights

	Food	Multivarejo	Assaí
Sales[1]	**R$ 12.5 billion, +6.8%** **same-store basis: +3.5%** • Positive trend of customer flow and volume	**R$ 7.1 billion with same-store sales of -0.6%** • Acceleration of deflation • Renovations of 50 Pão de Açúcar stores	**R$ 5.4 billion, + 28.2%** **same-store basis: +10.7%**, despite strong food deflation. • 43.5% of GPA food, +730 bps vs. 4Q16.
Gross margin[*]	**22.0%: -100 bps vs. 2016** • Higher share of Assaí • New Tax Framework • Adequate commercial competitiveness	**26.7%:** practically stable vs. 4Q16. in line with the level presented during 2017	**15.9%:** practically stable vs. 4Q16.
SG&A	**17.3% of revenue diluted 30 bps** vs. 2016 due to initiatives launched at Multivarejo.	**22.4% of revenue:** lower dilution due to: • Impact of deflation on sales • Hipers Conversions • Additional expenses DC fire • Renovation of 50 stores	**10.7% of revenue:** slightly above 4Q16 • Strong pace of organic expansion and conversions
EBITDA margin[2][*]	**5.0%: -130 bps** • Higher share of Assaí	**4.7%,** mainly due to deflation and one-off expenses	**5.3%, +16,5%** vs. 4Q16 Deflation impact and store openings
Net Income[3]	**Consolidated:R$ 297 million or 2.4% of revenue**, reversing the loss recorded in 2016.	**R$ 4 million or 0.1% of revenue.**	**R$ 254 million or 4.7% of revenue.**
Capex	**R$ 354 million** • **Record of inauguration of 13 stores, with 8 conversions** and renovation of 50 Pão de Açúcar stores	Inauguration of 1 Pão de Açúcar and 1 Minuto Pão de Açúcar and renovation of 50 Pão de Açúcar stores	Record inaugurations: 8 Extra Hiper stores converted to Assaí and opening of 3 new stores

(1) In 4Q17, the calendar adjustment was -30 bps at GPA Food, with -70 bps at Multivarejo and -20 bps at Assaí. The Same-store Sales includes the stores converted from Extra Hiper to Assaí, which in 4Q17 contributed 210 bps to Food and 530 bps to Assaí. (2) EBITDA djusted for Other Operating Income and Expenses. (3) Net Income includes Continuing and Discontinued Operations (*) Excludes non-recurring effects: At Multivarejo, a total of R$ 714 million in 2017, relating to tax credits and the impact of the write-off of the Distribution Center in Dec/2017 in the amount of -R$10 million. At Assaí, a total of R$ 114 million were recognized as tax credits related to 9M17.

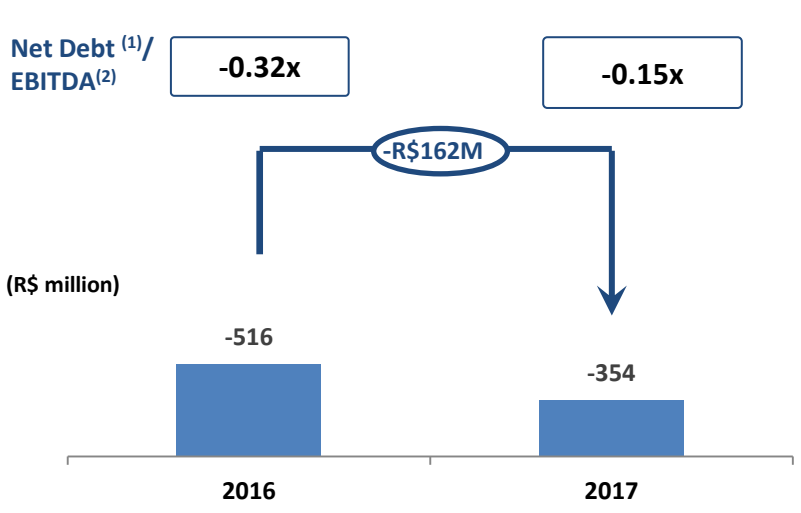
2017 Highlights

	Food	Multivarejo	Assaí
Sales[1]	**Net Sales: R$ 44.6 million: +8.2%** **same-store basis: + 4.3%** • Boosted by Assaí performance	**Net Sales: R$26.2 billion** **same-store basis: + 0.7%** • Impact of 15 conversions • Good Performance of Extra Hiper and volume gain in Pão de Açúcar • Improvement of the market share in the accumulated of the year (Nielsen)	**Gross Sales: R$ 20 billion, +28.0%** **same-store basis: +11.4%** • 20 openings • Market Share Strengthening • 41% of GPA Food sales
Gross margin(*)	**22.4%, +10 bps vs. 2016** • Profitability gains in both businesses	**26.9%, +50 bps vs. 2016** • New commercial dynamics • Closure of Extra Hiper stores	**15.9%, +140 bps vs. 2016** • Solid commercial dynamics • Development of additional categories to compensate deflation • Fast Maturation of stores • Higher share of individuals
SG&A	**17.4% of revenue and dilution of 60 bps** vs. 2016 due to initiatives launched at Multivarejo and higher share of Assaí	**Decrease of -1.6% vs. 2016**, (i) Multi-role program, (ii) Variable compensation at stores, and (iii) Roll-out of energy efficiency projects	**10.4% of revenue:** In line with 2016 • Deflation • Record opening of 20 stores
EBITDA margin[2](*)	**5.2%: +60 bps compared to 2016**	**5.0%: +20 bps vs. 2016** • Improved gross margin • Reduction of expenses	**5.6%: +140 bps vs. 2016** mainly due to gross margin improvement
Net Income[3]	**Consolidated:R$ 619 million or 1.4% of revenue**, reversing the loss in 2016.	**R$ 33 million or 0.1% of revenue.**	**R$ 540 million or 2.9% of revenue,** Almost double the profit realized in 2016
Capex	**R$ 1.355 billion**, **15 stores converted and 18 new openings**, closing the year with 1,081 stores	3 Pão de Açúcar, 6 Minuto Pão de Açúcar, 2 Extra drugstores and 2 gas stations, and renovations of 50 Pão de Açucar stores.	15 stores converted and 5 new openings, closing the year with 126 stores

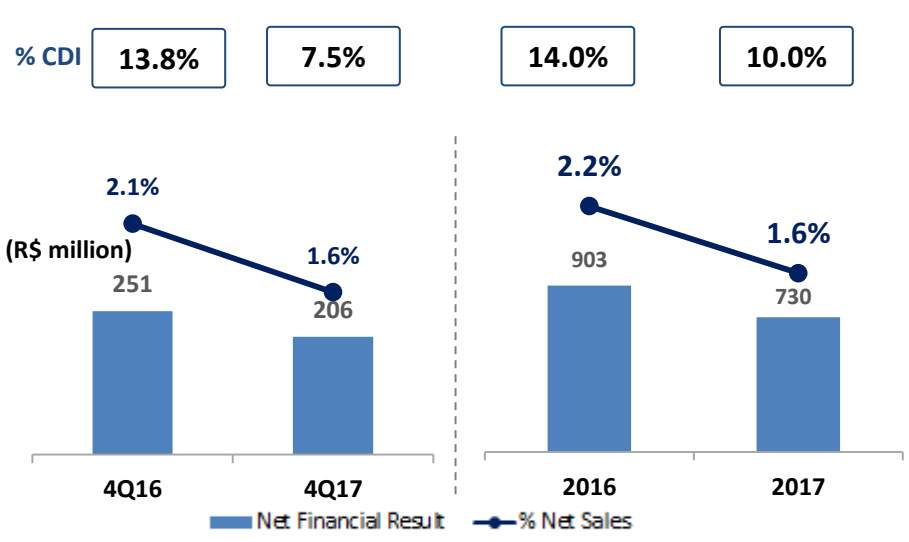
(1) In 2017, the calendar adjustment was -50 bps at GPA Food, with -70 bps at Multivarejo and -50 bps at Assaí. The Same-store Sales includes Extra Hiper stores converted to Assaí: 2017, it was 110 bps and 310 bps, respectively. (2) EBITDA adjusted for Other Operating Income and Expenses. (3) Net Income includes Continuing and Discontinued Operations (*) Excludes non-recurring effects: At Multivarejo, a total of R$ 714 million in 2017, relating to tax credits and the impact of the write-off of the Distribution Center in Dec/2017 in the amount of -R$10 million.

Net Debt and Financial Result

Net Debt[1]



Financial Result



Financial Result

- **4Q17:** -17.8% lower vs. 2016
  -50 bps vs. 2016 , reaching 1.6% as a ratio of net sales, due to lower interest rate in the period
- **2017:** Reduction in cost of gross debt by around R$200 million caused by the cut in the CDI rate.

Net Debt [1]

- R$354 million, improving R$162 million from last year
- Maintenance of low leverage in 2017: -0.15x vs. -0.32x in 2016

Cash and Equivalents

Solid Financial Position:

- Cash position: R$ 3,792 million and balance of receivables not discounted of R$ 414 million, totaling R$ 4.2 billion in cash and cash equivalents
- R$1.1 billion in pre-approved/confirmed credit lines

[1]Includes credit card receivables not discounted [2] EBITDA in the last 12 months

Strategic Priorities

1. **Continuous organic expansion and optimization of store portfolio:** Focus on accelerating higher-return formats and concepts:
   - opening of approximately 20 Assaí stores (including conversions)
   - gradual implementation of new concept at Pão de Açúcar stores
   - expansion of store-in-store at Extra Hiper and Pão de Açúcar

2. **Acceleration of the adjustment and repositioning of the offerings in the retail formats;**

3. **Innovation and continuation of digital transformation related to customer contact and our operations;**

4. **Expansion of the financial services offering, especially at Assaí, leveraging the expertise of our joint venture with Banco Itaú**



Outlook

Guidance 2018

Same-store sales	Assaí above inflation and Multivarejo in line with food inflation, with continued market share gains.
EBITDA Margin(*)	Increasing profitability in both businesses: • **Multivarejo:** Increase of about 50-60 bps, reaching 5.5-5.6%, driven mainly by: (i) Lower food deflation: 30 bps (ii) Lower impact of renovations and fire at DC: 10bps, (iii) Gain in Logistics and shrinkage: 20 bps ***Upsides:*** *Revitalization of Extra Super and sharper focus on FIC activities.* • **Assaí:** Expected growth of 20-30 bps due to lower deflation, maturation of stores and increased customer loyalty. ***Upsides:*** *Effect of roll-out of Passaí card across all stores.*
New framework for PIS COFINS and ICMS ST taxes	Recovery of sales growth should enable the Group to: (i) Record eventually new credits at Multivarejo; and (ii) Fully or partially reverse the provision of R$ 369 million accrued at Assaí in 2Q17
Working Capital and Financial Result	Optimization of working capital and reduction in financial result to around 1% of net sales.
Capex	Approximately R$1.6 billion.
LATAM Synergies	Should reach over US$85 million in savings for Brazil.

(*) *EBITDA adjusted for Other Operating Income and Expenses, excluding non-recurring effects*

Multivarejo



Gain of 60 bps in market share in the year (according to Nielsen), results from the new commercial dynamics implemented throughout the year

Highlights:

- Optimization of store portfolio via conversions and renovations;
- Operate more efficiently: buy better and sell better; and
- Digital transformation :My Discount Program reached over 4 million downloads, within just 7 months of launch

Extra:

- Continued to deliver good performance among Multivarejo banners in both the quarter and the year, boosted by non-food
- Super: Banner most affected by food deflation

Pão de Açúcar:

- Posted volume growth for the second consecutive quarter, despite being affected by store renovations in 4Q17
- Renovations concluded at 50 stores in the quarter, 11 in the full concept and 39 in the light concept

Proximity:

- Reformulation of the business model, with simplification of the operation

Assaí



In 4Q17, net sales amounted to R$5.4 billion, with SSS advancing 10.7% (1) from 4Q16. In the year, gross sales totaled R$20.1 billion, increasing 27.5% vs. 2016

Highlights:

- The effects of food deflation in the period and the strong comparison base of the previous year were absorbed by the growth in customer traffic and sales volume resulting from:
  - ➢ the success of the "Aniversário Assaí" campaign in October
  - ➢ the successful "Black Friday" campaign held for the first time by the banner
- Growth in share of food portfolio, accounting for 43.5% of sales at the end of 4Q17
- Continued market share gains (*)

- **Solid expansion and conversion plan:**
  - Record store openings: 11 stores opened in the quarter: 8 conversions and 3 organic
  - Converted stores registered sales growth of around 2.5x.

(1) Includes Extra Hiper stores converted to Assaí, which in 4Q17 contributed 210 bps to Food and 530 bps to Assaí.
(*) Growth above industry average, according to Nielsen data



Appendix

GPA Food Overview

Diversity of formats to meet different consumer needs

Multivarejo				Assaí
Extra	**Pão de Açúcar**	**Proximity**	**Other Businesses**	**Cash & Carry**
Hypermarkets and Supermarkets	Supermarkets Premium		Commercial Centers Drugstores and Gas Stations	
37.8% Sales	16.0% Sales	2.5% Sales	2.4% Sales	41.3% Sales
#Stores Hypermarkets: 117 Supermarkets: 188	#Stores Supermarkets: 186 Food Delivery	#Stores Minuto: 82 Minimercado Extra: 183	#Stores Drugstores: 127 Gas stations: 72 GLA~260.000 million²	#Stores Assaí: 126

YTD net sales, number of stores on December 31, 2017

Multi-format food player

Focused on meeting the needs of clients related to different needs and occasions, with the following formats: **hypermarkets, supermarkets, drugstores and gas stations**. Extra banner offers food, electronics and home appliances and apparels.

305 Stores*

The Pão de Açúcar banner refers to the Company's premium supermarket chain. It is considered the benchmark for innovation in the retail sector and **promotes the concepts of healthy living and sustainability.**

186 Stores

The Cash & Carry segment focuses on customers from small and midsized companies and also on the end customer who looks for products at **more competitive prices.** It offers groceries, food, perishables, beverages, packaging, personal care and cleaning products, among others.

126 Stores

Convenience format that offers differentiated assortment and a practical and cozy environment, in stores measuring about 300 m^2. **Prioritizes client comfort** through customized services and initiatives.

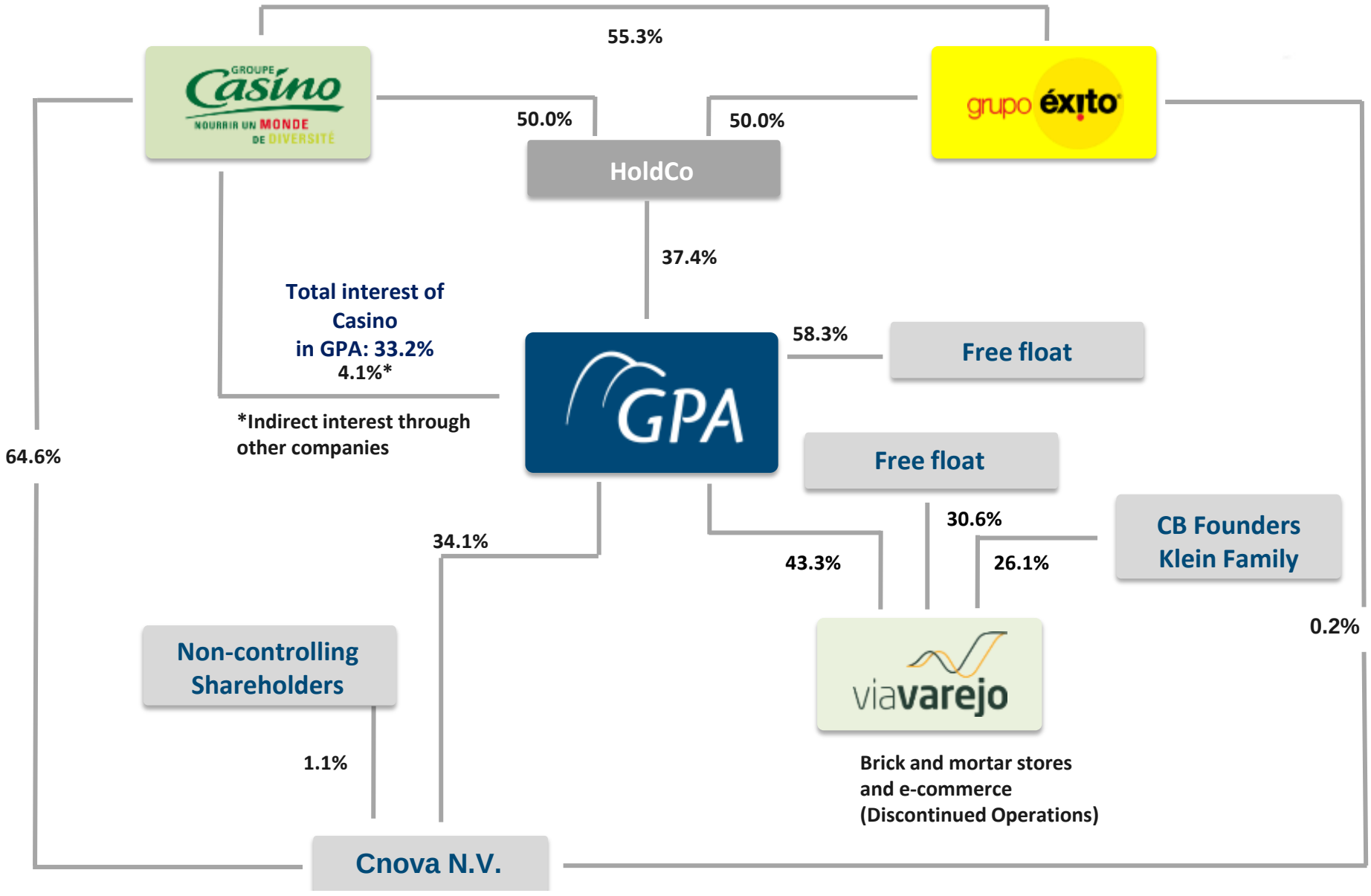
82 Stores

Convenience format to meet day-to-day needs, mainly commodities and perishables. In stores measuring about 300 m^2, its value proposition is to **offer convenience at the best price.**

183 Stores

** It also operates 127 drugstores and 72 gas stations as on December 31, 2017*

Ownership Structure



December 31, 2017

Glossary

Business Units of the Company: The Company's business is divided into two segments - Retail and Cash & Carry (Slide 10)

Food Segment: Represents the combined results of Multivarejo and Assaí, excluding equity income (loss) from Cdiscount, which is not included in the operating segments reported by the Company. Includes retail and wholesale activities of products in general, including - but not limited to - food products, clothing, hygiene, medicines, fuels, furniture, consumer electronics and domestic utilities. Such activities are carried out in both physical and virtual establishments.

Growth and changes: The growth and changes reported in this document refer to changes from the same period last year, except when stated otherwise.

EBITDA: EBITDA is calculated in accordance with Instruction 527 issued by the Securities and Exchange Commission of Brazil (CVM) on October 4, 2012.

Adjusted EBITDA: Measure of profitability calculated by excluding Other Operating Income and Expenses from EBITDA. Management uses this measure in its analyses as it believes it eliminates nonrecurring expenses and revenues and other nonrecurring items that could compromise the comparability and analysis of results.

Adjusted Net Income: Measure of profitability calculated as Net Income from continuing operations excluding Other Operating Income and Expenses and excluding the effects of Income and Social Contribution Taxes. Also excluded are the effects of nonrecurring direct income tax. Management uses this metric in its analyses given its belief that it eliminates any nonrecurring expenses and revenues and other nonrecurring items that could compromise the comparability and analysis of results.



Investor Relations Team

Tel.: +55 (11) 3886-0421

Fax: +55 (11) 3884-2677

gpa.ri@gpabr.com

www.gpari.com.br

About GPA: GPA is Brazil's largest retailer, with a distribution network comprising over 2,000 points of sale as well as electronic channels. Established in 1948 in São Paulo, it has its head office in the city and operations in 20 Brazilian states and the Federal District. With a strategy of focusing its decisions on customers and better serving them based on their consumer profile in the wide variety of shopping experiences it offers, GPA adopts a multi-business and multi-channel platform with brick-and-mortar stores and e-commerce operations divided into three business units: Multivarejo, which operates the supermarket, hypermarket and Minimercado store formats, as well as gas stations and drugstores under the Pão de Açúcar and Extra banners; Assaí, which operates in the cash-and-carry wholesale segment; GPA Malls, which is responsible for managing the Group's real estate assets, expansion projects and new store openings; and Via Varejo's discontinued operations, with its bricks and mortar electronics and home appliances stores under the Casas Bahia and Pontofrio banners, and the e-commerce segment.

Disclaimer: The forward-looking statements in this presentation are based on current assumptions and projections of the Company's management, which could differ materially from actual results and performance and future events. These projections include future results that could be influenced by historical results and investments. Actual results, performance and events may differ materially from those expressed or implied by these forward-looking statements due to numerous factors, such as general economic conditions in Brazil and other countries, changes in interest rates and exchange rates, future renegotiations or prepayments of obligations or loans in foreign currency, legal and regulatory changes, and competitive factors generally at the regional, national or global levels.