

São Paulo, Brazil, October 15, 2018 - GPA [B3: PCAR4; NYSE: CBD] announces its sales performance in the third quarter of 2018 (3Q18). All comparisons refer to the same period in 2017, except where stated otherwise. In the financial statements of GPA as of June 30, 2018, due to the ongoing divestment of the interest held by GPA in Via Varejo S.A. as announced in the material fact of November 23, 2016, the operations of Via Varejo are treated as discontinued operations and hence the comments below do not include Via Varejo's performance.

3Q18 SALES

- Gross sales revenue reached R\$13.3 billion, up 12.8%, driven by the continuous improvement of Multivarejo and yet another quarter of strong performance at Assaí, up 25.5%, to R\$ 6.4 billion.
- Same-store sales growth in all banners, totaling 7.1% for GPA Food, higher than 5.1% in 2Q18 and 2.8% in 1Q18.
- Continuity of market share gains in all banners, with an increase of 140bps in Multivarejo and 190bps in Assaí.
- A new version of our “Cliente Mais” and “Clube Extra” apps were released in September, which have more than 6.5 million downloads.
- Food-at-home inflation stood at 1.3% this quarter.
- The multi-channel, multi-format and multi-region portfolio has contributed to the Company's sustainable performance towards achieving the annual guidance.

	Gross Sales				Net Sales			
	R\$ Million		Δ 3Q18/ 3Q17		R\$ Million		Δ 3Q18/ 3Q17	
	GMV ⁽¹⁾	Total Sales	Total Stores	'Same Stores' ex calendar ⁽²⁾⁽³⁾	GMV ⁽¹⁾	Total Sales	Total Stores	'Same Stores' ex calendar ⁽²⁾⁽³⁾
Food Business	13,318	13,307	12.8%	7.1%	12,270	12,258	12.4%	7.0%
Multivarejo	6,936	6,925	3.3%	6.1%	6,404	6,393	2.7%	6.0%
Assaí	6,382	6,382	25.5%	8.3%	5,865	5,865	25.2%	8.2%

⁽¹⁾ Includes transactions in which the Company sells its partners products (store in store).

⁽²⁾ Includes Extra Hiper stores converted into Assaí, which in 3Q18 contributed 40 bps to Food and 90 bps to Assaí.

⁽³⁾ In 3Q18, the calendar effect was 60 bps at GPA Food, with 50 bps at Multivarejo and 60 bps at Assaí.

MULTIVAREJO:

- Total gross revenue of R\$6.9 billion and same-store gross sales excluding the calendar effect increase of 6.1%, confirming the recovery, highlighting the Extra Hiper and Proximity formats:

	Gross 'Same Stores' Sales ex calendar		
	3Q18	2Q18	1Q18
Multivarejo	6.1%	5.3%	1.1%
Extra Hiper	7.4%	4.1%	2.1%
Extra Super	3.3%	-1.3%	-3.2%
Pão de Açúcar	0.8%	7.9%	1.2%
Proximity	13.1%	5.3%	-7.8%

- All banners recorded market share gains, especially Extra Hiper and Proximity;
- The ongoing strategies focused on more dynamic sales and promotional creativity, especially the *Blue Friday*, the banners anniversaries '*Alerta Vermelho*', '*3ª e 4ª Extra*' (focus on perishables), among others, led to an increase in volume and customer flow over both 3Q17 and 2Q18.



- Digital Transformation:
 - Creation of the Digital Transformation Executive Area, covering “Technology”, “Loyalty”, “CRM and Digital”, “Food e-commerce”, “Synergies and New Business Incubation” and “Innovation”, with the purpose of strengthening the digital transformation project, one of the Company’s strategic pillars;
 - My Discount: In 3Q18, the app registered a record number of downloads, reaching a total of 6.5 million. Around 40% of loyal customers currently use the app. The average ticket of customers who use My Discount is double that of other customers;
 - Strong double-digit growth of food e-commerce, driven by the sales dynamics and the expansion of the express and store pick-up services, together with operational improvements related to delivery and assortment.
- Private Label Repositioning: The Qualidade product portfolio and pricing policy were reviewed in order to offer consumers high quality products at lower prices than those of leading brands. This quarter, a new brand layout was launched and products with new packaging were relaunched. Qualidade now has a portfolio of more than 1,300 products in the food and cleaning categories.

Performance by Banner

- **Extra Hiper:** An assertive promotional calendar resulted in acceleration in same-store gross sales of +7.4% in 3Q18 vs. 4.1% in 2Q18 and 2.1% in 1Q18. This performance was boosted by the resumption of growth in the food category and a double-digit increase in non-food categories. As a result, the customer base grew +1.0% and market share gains was the highest so far this year.
- The **Extra Super** format reversed the sales performance of the last few quarters and delivered a positive same-store performance, with resumption of customer flow growth. The revamp of six Mercado Extra stores were concluded this quarter, totaling ten pilot stores so far, with performance above expectations. These stores have been presenting double-digit growth in sales, ticket and volume. In addition, we accelerated the conversion of 13 Compre Bem project stores, which will be inaugurated during 4Q18. For more information on the Compre Bem and Mercado Extra Projects, please see page 5.
- **Pão de Açúcar’s** performance continues to be supported by assertive brand positioning focused on service quality and distinguished assortment. In the quarter, Pão de Açúcar continued to record market share gains. The banner performance was influenced by the following factors:
 - Renovation of 15 stores, of which six were completed in September and another three will be delivered in 4Q18 (impact of around 100 bps on the same-store performance);
 - Strong comparison basis, when the Collect & Win campaign and the My Discount app were launched.

The stores renovated in 2017 and 2018 continued to record significant growth compared to the non-renovated stores. The Premium project, which offers a high-end experience (better assortment and service level), is being implemented, with four stores in operation and roll-out planned for 32 stores by year-end. The stores already under the project increased its operational efficiency, stock out level and team management.

- The **Promixity** formats recorded substantial growth in same-store sales, thanks to the adjustment of assortment due to the neighborhood and customer cluster, operational adaptation and promotion reactivations. Volume continued to grow by two digits, as well as increased ticket and items per basket, which contributed to double-digit sales growth in the quarter. As such, it was recorded a market share gain in the Proximity format.

ASSAÍ:

- Assaí once again recorded strong growth of 25.5%, reaching revenue of R\$6.4 billion. The strong performance was driven by the following factors:
 - I. **Assertive growth and store conversions:** The 19 stores opened in the last 12 months delivered the best performance per square meter in the last 5 years and contributed to an increase of over R\$1 billion in sales over the previous year;
 - II. **Consistent same-store performance excluding conversions** above mid-single digit, up 7.4% in the quarter, driven by volume and customer flow gains due to commercial actions directed to business customers;
 - III. **Banner anniversary:** launched the largest anniversary campaign ever held by the banner, which will distribute more than R\$4.0 million in prizes. Passaí cardholders customers or those who buy products from specific brands will have differentiated awards.
- Sales growth was translated into strong market share gains of around 190 bps in August since May;
- Four stores were inaugurated, totaling 19 openings in the last 12 months, with expansion into two new Brazilian states. Currently, 10 stores are under construction and one is being converted;
- Entry of the banner into new important markets, with the inauguration of the first store in the metropolitan area of Belo Horizonte and Curitiba;
- The Passaí card, which caters to individual customers, reached close to half a million cards issued, demonstrating the success of its value proposition (wholesale price for all sales).

STORE EVOLUTION

In the quarter, four Assaí stores were opened, one of which was converted from Extra Hiper. Additionally, one Extra Hiper and twelve Extra Super stores were closed in order to be converted into Compre Bem, and six Extra Super stores were converted into Mercado Extra, totaling ten stores.

	6/30/2018	Openings	Openings by Conversion	Closings	Closing to Conversion	09/30/2018
Pão de Açúcar	186	-	-	-	-	186
Extra Hiper	113	-	-	-	-1	112
Extra Supermercado	183	-	-	-2	-18	163
Merca do Extra	4	-	6	-	-	10
Minimercado Extra	183	0	-	-	-	183
Minuto Pão de Açúcar	82	-	-	-	-	82
Assaí	130	3	1	-	-	134
Other Business	193	-	-	-	-	193
Gas stations	70	-	-	-	-	70
Drugstores	123	-	-	-	-	123
Total Stores	1,074	3	7	-2	-19	1,063
Sales Area ('000 m2)	1,802					1,799



II. Additional information

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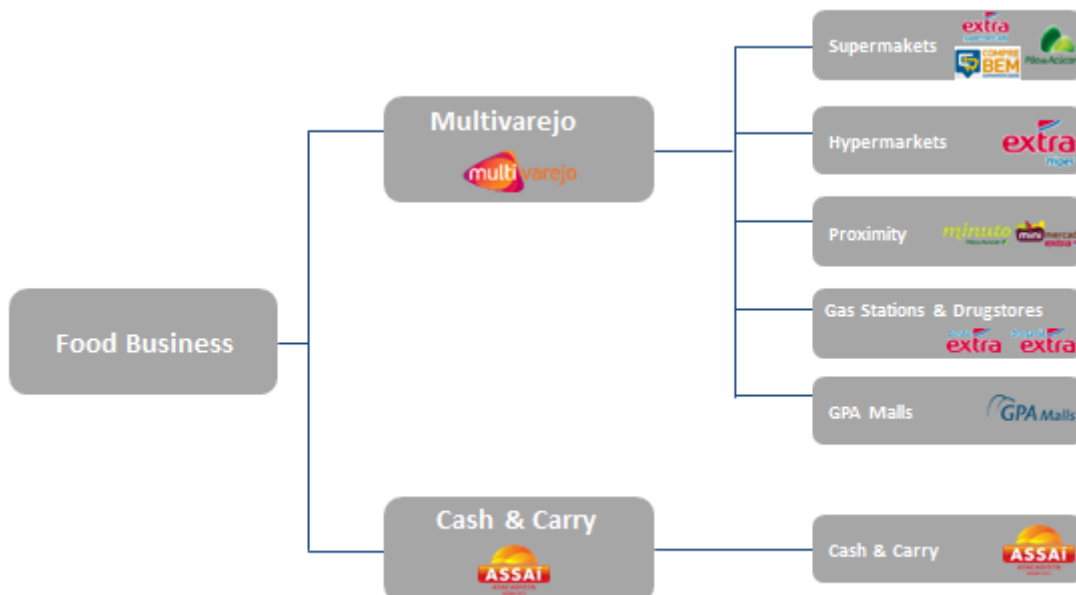
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About GPA: GPA is Brazil's largest retailer, with a distribution network comprising over 2,000 points of sale, as well as electronic channels. Established in 1948 in São Paulo, it has its head office in the city and operations in 20 Brazilian states 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 consisting of 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, responsible for the management of real estate assets, expansion projects and inauguration of new stores; and Via Varejo's discontinued operations, with its brick-and-mortar electronics and home appliances stores under the Casas Bahia and Pontofrio banners, and the ecommerce segment.

Disclaimer: Statements contained in this release relating to the business outlook of the Company, projections of operating/financial results, growth prospects of the Company and market and macroeconomic estimates are merely forecasts and are based on the beliefs, plans and expectations of Management in relation to the Company's future. These expectations are highly dependent on changes in the market, Brazil's general economic performance, the industry and international markets, and hence are subject to change.

III. Appendix

Company's Business: The Company's business is divided into two segments, namely Retail and Cash & Carry, grouped as follows:



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.

Compre Bem Project: A pilot project that involves the conversion of 20 stores in order to enter a market niche currently dominated by regional supermarkets. The store model will be better adapted to the needs of consumers in the regions where the stores are located. The service and assortment of the perishables category will be strengthened, while other categories will have a leaner assortment. Compre Bem will be managed independently from the Extra Super banner, focusing on simplifying operating costs, especially in logistics and IT.

Mercado Extra: Pilot project in 10 stores with the objective of revitalizing Extra Super through the enhancement of perishables and consumer services, focusing on class B and C. There will be no change in the operational model of the stores, which will continue under the Extra banner management.

Market Share: Data provided by Nielsen, considering the average of July and August. For Assaí it was used the total stores criteria, while for Multivarejo was used the same stores sales criteria.

Growth and Changes: The growth and changes presented in this document refer to variations from the same period last year, except where stated otherwise.