



DIA Group posts gross sales under banner of EUR7.734bn in the first nine months of 2017, 1.5% more than a year ago

/ The company is set to beat its store remodeling record, with more than 600 stores remodelled by year-end.

/ The customer will remain a strategic pillar at the centre of the company's decisions.

/ The digital transformation is progressing as planned.

Madrid, 26 October 2017. In the first nine months of 2017, DIA Group posted gross sales under banner of EUR7.734bn, implying a 1.5% increase in euros and 1.4% in local currency versus the same period in the previous years. In a more competitive climate, DIA Group remains focused on its strategy of offering the customer the best products and services, always at the best price, with a network of modern stores that are adapted to consumers' changing needs.

DIA Group is continuing with the transversal digitisation of all its processes, from logistics, stores, to human resources with a focus on the customer. In Spain, at the end of September, DIA was present in 33 provinces with e-commerce under the DIA banner, with Clarel and Oportunidades Dia throughout Spain, and with Amazon Prime Now in Madrid and Barcelona. Sales in the online channel in Spain reached EUR40.2m in the first nine months of 2017, 2.9 times higher than the amount registered in the same period last year.

In terms of gross sales under banner across the entire Group, Argentina and Brazil contributed with 11.2% growth in local currency, reaching EUR2.805bn.

Between January and September, comparable sales rose by 3.2%.

In Spain, gross sales under banner slid by 4% to EUR4.287bn due to the store remodeling rate; in the first nine months of the year, the company remodeled 500 DIA Market, DIA Maxi, and La Plaza de Dia stores with an investment of around EUR75m.

In Iberia, a total of 562 stores have been remodeled, and the number is expected to reach 600 by the end of the year. This would represent the biggest store remodeling programme in the company's history.

"We remain focused in pursuing our strategy of putting the customer at the centre of everything we do. Lower inflation across our markets and significant changes in trading environment in last months in Spain have slowed down our sales growth in Q3 2017. We will not compromise on our commitment of giving our customers the best prices of the market. We believe this is the right thing to do and will help us to deliver on our long term ambitions. In Iberia, we have accelerated the process of store renovations giving our customers an improved experience and new services. This, together with a material price investment supports our commitment to return to positive LFL territory of sales in Iberia in Q4 2017, something that we have already seen in the first three weeks of October. In Latin America we continue achieving outstanding customer satisfaction ratings and delivering on our promise of profitable growth despite the slowdown in sales driven by lower than anticipated inflation", stated Ricardo Currás, CEO of the DIA Group.

Adjusted EBITDA reached EUR431m, stable versus the first nine months of the previous year.

As of September 2017, the company's debt amounted to EUR1.14bn, EUR80m less than a year ago.

Underlying net profit grew by 1% in euros and by 0.4% in local currency, reaching EUR166.7m. At the end of September, the company had 7,425 stores.

Q3 2017 Results Summary

(€m)	Q3 2017	%	Change	FX effect	Change (ex-FX)
Net sales	2,172.6	100.0%	-4.1%	-3.8%	-0.3%
Adjusted EBITDA ⁽¹⁾	153.3	7.1%	-5.5%	-1.6%	-3.9%
D&A	-59.1	-2.7%	-0.1%	-2.1%	1.9%
Adjusted EBIT ⁽¹⁾	94.2	4.3%	-8.6%	-1.4%	-7.2%
Non-Recurring items	-24.3	-1.1%	44.4%	-3.0%	47.4%
Non-Recurring cash items	-25.3	-1.2%			
Long-Term Incentive Plans	1.8	0.1%			
Impairment and G/L in asset disposals	-0.8	0.0%			
EBIT	69.9	3.2%	-19.0%	-1.1%	-17.9%
Net profit from continuing operations	39.4	1.8%	-21.8%	1.0%	-22.8%
Underlying net profit	60.8	2.8%	-4.1%	0.1%	-4.2%

(1) Adjusted by non-recurring items

9M 2017 Results Summary

(€m)	9M 2017	%	Change	FX effect	Change (ex-FX)
Net sales	6,460.2	100.0%	0.7%	0.2%	0.5%
Adjusted EBITDA ⁽¹⁾	431.6	6.7%	0.0%	0.4%	-0.4%
D&A	-174.5	-2.7%	2.3%	1.0%	1.3%
Adjusted EBIT ⁽¹⁾	257.1	4.0%	-1.5%	0.0%	-1.5%
Non-Recurring items	-72.6	-1.1%	12.3%	-0.4%	12.7%
Non-Recurring cash items	-59.0	-0.9%			
Long-Term Incentive Plans	0.5	0.0%			
Impairment and G/L in asset disposals	-14.2	-0.2%			
EBIT	184.6	2.9%	-6.1%	0.1%	-6.2%
Net profit from continuing operations	103.1	1.6%	-11.7%	1.1%	-12.8%
Underlying net profit	166.7	2.6%	1.0%	0.7%	0.4%

(1) Adjusted by non-recurring items

Gross Sales Under Banner

(€m)	9M 2017	%	Change	FX effect	Change (ex-FX)
Spain	4,287.8	55.4%	-4.0%	0.0%	-4.0%
Portugal	640.5	8.3%	0.8%	0.0%	0.8%
IBERIA	4,928.3	63.7%	-3.4%	0.0%	-3.4%
Argentina	1,306.8	16.9%	10.6%	-12.4%	23.0%
Brazil	1,498.9	19.4%	12.1%	11.4%	0.7%
EMERGING MARKETS	2,805.7	36.3%	11.4%	0.2%	11.2%
TOTAL DIA	7,733.9	100.0%	1.5%	0.1%	1.4%

Total remodelled stores in Spain 2017



/ GLOSSARY

- / **Gross sales under banner:** total turnover value obtained in stores, including indirect taxes (sales receipt value) in all the company's stores, both owned and franchised.
- / **Net sales:** sum of the net sales generated in our integrated stores and sales to franchisees.
- / **LFL sales growth under banner:** growth rate of gross sales under banner at constant currency of the stores that have been operating for more than thirteen months under the same business conditions.
- / **Adjusted EBITDA:** operating profit after adding back non-recurring costs, impairments, re-estimation of useful life and gains/losses arisen on the disposal of assets and depreciation and amortization of fixed assets.
- / **Adjusted EBIT:** operating profit after adding back non-recurring costs, impairment and re-estimation of useful life and gains/losses arisen on the disposal of assets.
- / **Underlying net profit:** net income calculated on net profit attributable to the parent company, excluding non-recurring items (restructuring costs, impairment and re-estimation of useful life, gain/losses on disposal of assets, tax litigations, exceptional financial expenses and equity derivatives), discontinued operations and the corresponding tax impact.
- / **Reported EPS:** fraction of the company's profit calculated as net attributable profit divided by the weighted average number of shares.
- / **Underlying EPS:** fraction of the company's profit calculated as underlying net profit divided by the weighted average number of shares.
- / **Cash from operations:** adjusted EBITDA less non-recurring cash items less recurrent capex.

DIA (Distribuidora Internacional de Alimentación) is an international food retailer that also distributes fast-moving and HPC goods. DIA is traded on the Madrid Stock Exchange and is part of the Ibex 35, the main reference index of the Spanish stock market. In 2016, gross sales under banner reached EUR10.5bn and the company had 7,799 stores in the countries in which it operates: Spain, Portugal, Brazil, Argentina and China.

▪ EXTERNAL RELATIONS

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