DIA

9M/2018

Financial summary

- Gross sales under banner, excluding IAS29, fell by 9.0% in the first nine months of 2018 to EUR6.56bn. This decline in euros was due to the 2.5% fall in sales in Iberia and the strong currency depreciation in Argentina and Brazil during the period. Excluding the currency effect, gross sales under banner grew by 11.3% in Emerging Markets and 2.6% for the group up to September 2018.
- The group's comparable sales (excluding IAS29) rose by 2.7% up to September 2018. Iberia fell by 0.3% while Emerging Markets climbed by 7.3%.
- Adjusted EBITDA fell by 24.1% in 9M 2018 to EUR281.1m, a decline of 23.2% excluding the currency effect. In Iberia, adjusted EBITDA dropped by 12.2% to EUR254.4m, while in Emerging Markets it fell by 60.6% to EUR35.7m fundamentally due to the effect of the application of the IAS 29 regulation in Argentina, which negatively impacted adjusted EBITDA by EUR27m.
- DIA invested EUR269.1m in the first 9M 2018, 23.0% more than in 9M 2017, and 42.3% excluding the currency effect.
- Net debt reached EUR1.42bn at the end of September 2018, equivalent to 3.1x the adjusted EBITDA of the last 12 months.

Information in this document

- The Company is finishing its business plan for the coming years. As a consequence of this new plan, prior to the end of 2018 period, the Company plans to conduct a stress test of its assets to evaluate whether there could be a need to provision part of them.
- Accordingly, the information related to the results is only broken down up to the EBITDA level and not up to net profit after tax, and the balance sheet information is not complete but is focused on magnitudes such as working capital and net debt.
- As soon as the company knows the results of the stress test on its assets or any other material aspect that affects the information contained in this document, it will carry out the corresponding communication.
- Moreover, this document does break down information related to the stand-alone third quarter 2018 due to the application for the first time of IAS 29 (see the Information Comparison section) as this would require the restatement of the prior quarters of 2018.
- Financial information in this document is not audited.

Operating and strategic highlights

- In Q3 2018 DIA remodelled 94 stores in Iberia, accumulating a total of 997 stores upgraded in the first nine months.
- Online sales in Spain grew by 42.8% up to EUR57.4m in 9M 2018.
- At the end of September 2018 DIA operated 7,429 stores, 39 more than a year ago. Out of this total number, 3,745 were franchised stores, 75 more than in September 2017.

Business performance (EURm)	9M 2017 (1)	9M 2018	Change
Gross sales under banner	7,640.2	6,949.3	-9.0%
LFL Iberia (2)	0.1%	-0.3%	-
LFL Emerging Markets (2)	8.8%	7.3%	-
Adjusted EBITDA (3)	370.2(1)	281.1	-24.1%
Net debt	1,141.1	1,422.1	24.6%

IFRS measures (EURm)	9M 2017 (1)	9M 2018	Change
Net sales	6,379.1	5,490.5	-13.9%
Gross operating income (EBITDA)	318.0	212.7	-33.1%

(1) Re-expressed in accordance with what was communicated in the Relevant Fact of 22 October 2018
(2) Excluding the calendar effect. (3) Adjusted by other items excluded from the calculation of adjusted EBITDA

Information comparison

The Management of DIA Group have prepared this quarterly interim declaration corresponding to the nine-months period ending on 30 September 2018 including, for comparison purposes, the figures corresponding to the nine-months period ended on 30 September 2017.

Re-expression of year 2017 accounts

Dated 15 and 22 October 2018, the Company communicated as separate Relevant Facts filings that it considers certain adjustments should be incorporated to the year 2017 consolidated financial statements corresponding to the fiscal 2017, whose negative equity effect amounted to EUR56m, of which EUR21m (EUR26m before taxes) would reduce year 2017 results and are mainly attributable to Iberian business.

For a better understanding of these results, the Company has calculated the impact of the adjustments made to the adjusted EBITDA to every year 2017 quarters, as detailed below:

Adjusted EBITDA (EURm)	Q1 2017	H1 20147	9M 2017	2017
Reported (1)	124.2	279.1	432.4	570.3
Re-expressed	97.3	226.3	370.2	543.8
Difference	**26.9**	**52.8**	**62.2**	**26.5**

(1) EUR1.8m after Cash & Carry business classified as a discontinued activity

The restatements disclosed in the aforementioned Relevant Facts are not proportional across the quarters, they were individually calculated for each stand-alone quarter.

The previously indicated corrections had as main purpose to allocate to each period the corresponding revenues and costs, but did not mean in any case cash-flow movements.

Once the validation and confirmation process of these amounts finish the society will proceed, when preparing the year 2018 annual accounts, to re-express the year 2017 accounts, that are presented for comparison purposes.

Moreover, the figures within this document include the following facts and circumstances that make a comparison difficult.

Argentinian subsidiary accounts (IAS 29)

The 9M 2018 results include for the first time the application effects of IAS 29 ("Financial reporting in hyperinflationary economies") which affects the Argentinian subsidiary financial statements incorporation.

The application of this regulation requires to be done as if this country had always been subject to hyperinflation, so in the first period of application (9M 2018) the effects of inflation and the exchange rate applied according to IAS 21 are collected ("Effects of changes in foreign exchange rates").

The effects of IAS 29 application on 9M 2018 results are as follows, in comparison with what they would have been without the application of this rule:

Impact from IAS29 (EURm)	**9M 2018**
Net sales	-237.0
Adjusted EBITDA	-27.0

On the contrary, the first application of IAS29 has a positive effect of EUR13.5m in net profit and EUR57.6m in terms of consolidated equity.

Cash & Carry (Max Descuento)

In June 2018, DIA Group initiated a plan to sell the cash & carry business, whose banner is 'Max Descuento', classifying the assets and liabilities of this banner as held for sale, in accordance with IFRS 5.

Since the publication of H1 2018 results, the company classified these stores as discontinued operations, re-expressing the figures of the previous. The comparability effect for the first nine months of 2018 is EUR1.8m in adjusted EBITDA.

Comments by CEO, Antonio Coto

"We are going to focus our efforts in Spain, by implementing a realistic Strategic Plan that will help us stay at the cutting edge of market trends and win back sales. Our positions in Argentina and Brazil are very solid and our future is bright but, in light of the current macroeconomic uncertainty affecting these economies, we prefer to maintain more cautious.

It is time to look forward and to ensure DIA is a company where the whole value chain serves our customers, listening and understanding their needs and tastes to make sure that the stores are filled with the right products at the right price. The Company will place special emphasis on efficient cash flow management and contain its capex investment in the short term. We will be more disciplined in the way we invest each Euro just as we follow and monitor our returns"

Like-for-like summary 9M 2018

	Q1 2018	Q2 2018	Q3 2018	9M 2018
Like-for-like				
Iberia	-1.0%	0.3%	-0.5%	-0.3%
Emerging markets (1)	-	-	-	7.1% (2)
TOTAL DIA (1)	**-**	**-**	**-**	**2.6% (2)**
Calendar effect				
Iberia	-1.0%	1.3%	-0.5%	-0.1%
Emerging markets	-0.2%	0.4%	-0.8%	-0.2%
TOTAL DIA	**-0.7%**	**1.0%**	**-0.6%**	**-0.1%**
Like-for-like (ex-calendar)				
Iberia	**0.0%**	**-1.0%**	**0.0%**	**-0.3%**
Emerging markets (1)	**-**	**-**	**-**	**7.3% (2)**
TOTAL DIA (1)	**-**	**-**	**-**	**2.7% (2)**

(1) Stand-alone quarterly data not disclosed due to first application of IAS29
(2) Excluding IAS29

Sales Performance

Group

In 9M 2018, gross sales under banner fell by 9.0% in Euros to EUR6.95bn due to the sales slowdown in Iberia and the impact of the Argentine Peso and Brazilian Real strong depreciation. In local currency, the growth rate was 2.6%, which reflects a currency effect of 11.6% in the first nine months of activity.

Without taking into account the calendar effect, comparable sales grew by 2.7% in the first nine months of 2018. The calendar had a 0.6% negative effect for the group in the third quarter, and -0.1% in the first nine months of 2018.

Iberia

Gross sales under banner fell by 2.5% in accumulated terms until September 2018, reaching EUR4.71bn, which implies a 1.6% drop during the third quarter. Both Spain and Portugal saw quarterly and accumulated slowdown in sales, although the fall remains larger in Portugal. Up to September, sales in Spain fell by 2.4% to EUR4.01bn (-1.3% in Q3 2018), while in Portugal accumulated sales until September slowed by 3.3% to EUR0.62bn (-3.3% in Q3 2018). With a negative calendar effect of 0.1% in nine months and -0.5% in Q3 2018, LFL sales growth was -0.3% in accumulated terms and 0.0% in the third quarter. Comparable sales evolution was also better in Spain than in Portugal during the past quarter while in terms of space, the commercial area in Spain contracted by 2.0% and was practically similar in Portugal at Q3 2018 closing date.

The pace of store remodelling eased significantly in the third quarter, reaching a total of 94 stores during the quarter, of which 60 stores were completely remodelled and 34 stores underwent modular remodelling.

In Spain, the remodelling of the DIA&Go and La Plaza stores carried out during 2018 generated a net increase of EUR29,7m gross sales under banner in the nine months 2018.

Emerging Markets

In the first nine months of 2018, gross sales under banner fell by 20.3% in euros to EUR2.24bn, but rose by 11.3% in local currency, which reflects a 31.6% negative currency effect during the period.

In Q3 2018 sales in euros fell by 21.8%, with a 38.1% negative currency effect, implying local-currency sales growth of 16.3%. With -0.2% calendar effect, comparable sales growth in the first nine months reached 7.3%.

Gross Sales Under Banner

(€m)	9M 2017	%	9M 2018	%	Change	FX effect	Change (ex-FX)
Spain	4,194.1	54.9%	4,094.0	58.9%	-2.4%	0.0%	-2.4%
Portugal	640.5	8.4%	619.3	8.9%	-3.3%	0.0%	-3.3%
IBERIA	**4,834.6**	**63.3%**	**4,713.3**	**67.8%**	**-2.5%**	**0.0%**	**-2.5%**
Argentina	1,306.8	17.1%	1,023.3(1)	14.7%	-21.7%	-47.8%	26.1%
Brazil	1,498.9	19.6%	1,212.8(1)	17.5%	-19.1%	-17.5%	-1.6%
EMERGING MARKETS	**2,805.7**	**36.7%**	**2,236.1(1)**	**32.2%**	**-20.3%**	**-31.6%**	**11.3%**
TOTAL DIA	**7,640.2**	**100.0%**	**6,557.0(1)**	**100.0%**	**-9.0%**	**-11.6%**	**2.6%**

(1) Excluding IAS29

9M 2018 Results

Net sales

In 9M 2018, net sales reached EUR5.49bn, with a 13.9% fall in Euros and 4.4% up in local currency. Currency depreciation in the quarter (-30.9% for the Argentine Peso and -16.1% in case of the Brazilian Real) had a negative effect of 18.3% on sales growth.

Operating Result

In 9M 2018, adjusted EBITDA fell by 24.1% in euros to EUR281.1m. The adjusted EBITDA margin contracted by 68 bps in the period until 5.1%.

The amount of 'Other items excluded from adjusted EBITDA' increased by 30.9% in in the first nine months of 2018 to EUR68.4m thanks to the large number of store remodellings undertaken during the period. The 'Other cash items' figure rose by 28.5% in 9M 2018 to EUR67.7m, an increase that is mainly explained by the store improvement and remodelling programme implemented in Spain. The Long-Term Incentive Plans showed an expense of EUR0.7m during the first nine months of the exercise.

9M 2018 Results Summary

(€m)	9M 2017	%	9M 2018	%	Change
Net sales	**6,379.1**	**100.0%**	**5,490.5**	**100.0%**	**-13.9%**
Adjusted EBITDA [1]	**370.2** [2]	**5.8%**	**281.1**	**5.1%**	**-24.1%**
Other items excluded from adjusted EBITDA	**(52.2)**	**(0.8%)**	**(68.4)**	**(1.2%)**	**30.9%**
Other cash items	(52.7)	-	(67.7)	-	28.3%
Long-term incentive plans	0.5	-	(0.7)	-	-
EBITDA	**318.0**	**5.0%**	**212.7**	**3.9%**	**-33.1%**

(1) Adjusted by other items excluded from the calculation of adjusted EBITDA
(2) Re-expressed in accordance with what was communicated in the Relevant Fact of 22 October 2018

Review by Segment

Iberia

Net sales fell by 4.0% in the first nine months of 2018, to EUR3.88bn. Adjusted EBITDA fell by 12.2% in the same period to EUR245.4m. With this operating result, the adjusted EBITDA margin decreased 59bps in the accumulated figures until September 2018, and was set at 6.3%.

(€m)	9M 2017	9M 2018	Change
Net sales	4,039.0	3,877.3	-4.0%
Adjusted EBITDA (1)	279.6 (2)	245.4	-12.2%
Adjusted EBITDA margin	6.9%	6.3%	-59bps

(1) Adjusted by other items excluded from the calculation of adjusted EBITDA
(2) Re-expressed in accordance with what was communicated in the Relevant Fact of 22 October 2018

Emerging Markets

In 2018, net sales in 9M 2018 reached EUR1.61bn, implying a 31.1% fall in Euros. However, in local currency net sales rose by 18.8%, which implies a 49.9% negative currency effect, whose impact has been magnified due to IAS 29 implementation.

Adjusted EBITDA for the first nine months fell by 57.2% in Euros to EUR35.7m. This change is entirely affected by the implementation of the IAS 29 regulation, given that adjusted EBITDA in local currency grew significantly in Argentina. Excluding the application of IAS 29, the adjusted EBITDA margin would have been 3.4% instead of 2.2%.

(€m)	9M 2017	9M 2018	Change	Change (ex-FX)
Net sales	2,340.1	1,613.2	-31.1%	18.8%
Adjusted EBITDA (1)	90.7	35.7(2)	-60.6%	-57.2%
Adjusted EBITDA margin	3.9%	2.2%	-166bps	-

(1) Adjusted by other items excluded from the calculation of adjusted EBITDA
(2) Impact of EUR27m due to the new application of IAS 29

Trade Working Capital, Capex and Net Debt

Trade Working Capital

DIA's amount of trade working capital fell by 10.3% to EUR659m at the end of September 2018, but rose by 1.2% in constant currency terms.

The value of inventories declined by 14.6% in Q3 2018, with a drop of EUR91.7m to EUR534.9m. This significant inventories reduction is entirely attributable to currency depreciation, as excluding this effect inventories would have increased 4.5%.

Trade and other receivables fell by 2.4% in Euros to EUR131.6m at the end of September 2018. The value of trade and other payables fell by 11.4% in Euros to EUR1.33bn. This drop is explained by the weak sales growth in the quarter and also for currency depreciation.

Non-recourse factoring from suppliers amounted to EUR100m at the end of September 2018, in line with the EUR98.3m that the company had previous year on the same date.

(€m)	30 Sept 2017	30 Sept 2018	Change	Change (Ex-FX)
Inventories (A)	626.6	534.9	-14.6%	4.5%
Trade and other receivables (B)	134.9	131.6	-2.4%	15.2%
Trade and other payables (C)	1,496.1	1,325.6	-11.4%	3.8%
Trade working capital [1]	**-734.6**	**-659.1**	**-10.3%**	**1.2%**

(1) Trade working capital defined as (A+B-C)

Capex

DIA invested EUR269,1m during the first nine months of 2018, 23.0% more than in the previous year same period. Excluding the currency effect, investment in fixed assets would have grown by 42.3% versus 9M 2017.

In Iberia, investment increased 60.5% up to EUR211.3m, mainly attributable to great remodelling efforts related to proximity stores in Spain, which amount was almost three times higher the expense made in the same period, previous year. In Portugal, total capex fell by 11.6%.

In Emerging markets, capex was reduced by 33.6% in Euros (but rose by 14.8% in local currency) to EUR57.8m.

(€m)	9M 2017	%	9M 2018	%	Change	Change (Ex-FX)
Iberia	131.6	60.2%	211.3	78.5%	60.5%	60.5%
Emerging markets	87.1	39.8%	57.8	21.5%	-33.6%	14.8%
TOTAL Capex	**218.7**	**100.0%**	**269.1**	**100.0%**	**23.0%**	**42.3%**

Net Debt

At the end of September 2018, net debt amounted to EUR1,422m, EUR281m more than in the same period last year. This growth in net debt is mainly due to the fall adjusted EBITDA, the EUR50m of incremental Capex up to September and EUR75m decrease on trade negative working capital. In addition, the company distributed EUR121m in dividends last July 2018.

On past 18 October, Moody's downgraded the company's corporate rating from Baa3 to Ba2, with an outlook under review. On 19 October, S&P downgraded the company's corporate rating from BBB- to BB-, with a negative outlook.

(€m)	30 Sept 2017	31 Dec 2017	30 Sept 2018
Net Debt / adjusted EBITDA 12M (1)	2.0x	1.6x	3.1x
Net debt	**1,141.1**	**891.3**	**1,422.1**

(1) Ratio calculated using the adjusted EBITDA of the last 12 months taking into account the re-expression of year 2017 accounts.

Store Count

At the end of September 2018, DIA operated a total of 7,429 stores, 39 more than in the same period last year. In Iberia, the total number of stores fell by 130 in the last 12 months to 5,300 due to the restructuring process implemented in La Plaza and Dia stores in the last few quarters. In Q3 2018, the company closed a total of 18 stores in Iberia, with 8 net openings in Spain and 26 net closures in Portugal.

In Iberia, DIA converted 94 stores to the new versions during Q3 2018, compared to 423 stores in Q2 2018 and 480 stores in Q1 2018.

During Q3 2018, Clarel increased its store network by 5 net stores openings, all of them in Spain. The number of franchised stores also increased by 20 during the quarter, reaching a total of 189 stores out of the 1,271 stores, which represents 14.9% of the store network.

In Emerging Markets, DIA operated 2,129 stores at the end of September 2018, 169 more than in the same period last year, and 38 more than at the end of June. The net number of store openings in Q3 2018 and accumulated in 2018 is very similar in both Latam countries, which is in line with capex reduction policy taken in Argentina, announced last June.

The number of franchised stores operated under the Dia Market, Dia Maxi, Cada Dia/Mais Perto, and Clarel banners increased by 75 in the last twelve months, totalling 3,745 stores. In Iberia, 56% of Dia banner stores are operated by franchisees, while in Emerging Markets the contribution rate is 60%.

Number of stores

IBERIA	30 Sept 2017 COCO	Franchise	TOTAL	%	30 Sept 2018 COCO	Franchise	TOTAL	%	Change 12M
Dia Market	900	1,952	2,852	52.5%	891	1,846	2,737	51.6%	-115
Dia Maxi	661	113	774	14.3%	646	134	780	14.7%	6
Total Dia stores	1,561	2,065	3,626	66.8%	1,537	1,980	3,517	66.4%	-109
% Dia stores	43.1%	56.9%			43.7%	56.3%			
La Plaza	281	0	281	5.2%	274	0	274	5.2%	-7
Clarel	1,138	135	1,273	23.4%	1,082	189	1,271	24.0%	-2
% Clarel stores	89.4%	10.6%			85.1%	14.9%			
Total stores	**2,980**	**2,200**	**5,180**	**95.4%**	**2,893**	**2,169**	**5,062**	**95.5%**	**-118**
Cada Dia / Mais Perto	0	250	250	4.6%	0	238	238	4.5%	-12
Total IBERIA stores	**2,980**(1)	**2,450**	**5,430**(1)	**100%**	**2,893**	**2,407**	**5,300**	**100%**	**-130**

EMERGING MARKETS	30 Sept 2017 COCO	Franchise	TOTAL	%	30 Sept 2018 COCO	Franchise	TOTAL	%	Change 12M
Dia Market	397	1,006	1,403	71.6%	430	1,114	1,544	72.5%	141
Dia Maxi	343	49	392	20.0%	361	59	420	19.7%	28
Total Dia stores	**740**	**1,055**	**1,795**	**91.6%**	**791**	**1,173**	**1,964**	**92.2%**	**169**
% Dia stores	41.2%	58.8%			40.3%	59.7%			
Cada Dia / Mais Perto	0	165	165	8.4%	0	165	165	7.8%	0
Total EMERGING stores	**740**	**1,220**	**1,960**	**100%**	**791**	**1,338**	**2,129**	**100%**	**169**

GRUPO DIA	30 Sept 2017 COCO	Franchise	TOTAL	%	30 Sept 2018 COCO	Franchise	TOTAL	%	Change 12M
Dia Market	1,297	2,958	4,255	57.6%	1,321	2,960	4,281	57.6%	26
Dia Maxi	1,004	162	1,166	15.8%	1,007	193	1,200	16.2%	34
Total Dia stores	2,301	3,120	5,421	73.4%	2,328	3,153	5,481	73.8%	60
% Dia stores	42.4%	57.6%			42.5%	57.5%			
La Plaza	281	0	281	3.8%	274	0	274	3.7%	-7
Clarel	1,138	135	1,273	17.2%	1,082	189	1,271	17.1%	-2
Total stores	**3,720**	**3,255**	**6,975**	**94.4%**	**3,684**	**3,342**	**7,026**	**94.6%**	**51**
Cada Dia / Mais Perto	0	415	415	5.6%	0	403	403	5.4%	-12
Total DIA stores	**3,720**(1)	**3,670**	**7,390**(1)	**100%**	**3,684**	**3,745**	**7,429**	**100%**	**39**

(1) Adjusted figures with 35 Cash&Carry 'Max Descuento' stores discontinued in June 2018

Events following the close of the period

- On 15 October 2018, the Company's Board of Directors accepted the resignation of Ana María Llopis as Chairwoman of the Company and announced the appointment of Stephan DuCharme as First Vice-Chairman of the Board of Directors, with Richard Golding and Mariano Martín becoming the Second and Third Vice-Chairmen respectively. In addition, as proposed by shareholder LetterOne Investment Holdings, Sergio Ferreira Dias was appointed as Board Member by co-optation (with the status of External Proprietary Director) to cover an existing vacancy. This appointment will be submitted for approval at the next General Shareholders' Meeting. Moreover, his appointment as a Member of the Audit and Compliance Commission (replacing Stephan DuCharme) has been approved.

- On 15 October 2018, the Board communicated that, due to a review of its estimates for the end of fiscal year 2018, the Company lowered its results estimates for the exercise to reflect a fall in sales volumes, which has also had an impact on the gross margin, and an increase in operating expenses. The Company estimated that the adjusted EBITDA expected for 2018 could be in the EUR350-400m range, which compares with EUR568m in year 2017. The above estimates do not include the impact that might arise from the imminent application of the IAS 29 financial reporting in hyperinflationary economies whose application will be mandatory for the Company from the third quarter year 2018 due to its activity in Argentina.

- On 22 October 2018, as a continuation of the Relevant Fact published on 15 October 2018, the Company communicated that the adjustments to the consolidated financial statements corresponding to 2017 are reduced to approximately EUR56m taking into account the fiscal impact, and that this adjustment is mainly attributable to its business in Iberia. The effect on profits of year 2017 is EUR20m (EUR26m before the fiscal effect), and mainly corresponds to overestimates made at the end of this period over the commercial discounts to be received from suppliers, that were registered within a period which did not correspond. Out of the effect on reserves, an amount of EUR18m (EUR24m before the fiscal effect) corresponds to supplier invoices pending to be received which were registered in a different period than the one they should have been registered in. The remaining EUR18m (EUR20m before the fiscal effect) basically correspond to provisions estimation corresponding to various concepts that were carried over from one exercise to the next one, and which the Company has decided to register in the corresponding period. The objective of the previously mentioned corrections is to allocate to each exercise the corresponding income and costs, but this did not imply cash-flow movements in any case.

Events and Corporate Calendar

Event	Date	Location	Status
Spain Investor's Day	Tuesday, 15 January 2019	Madrid	Tentative
FY 2018 results	Thursday, 21 February 2019	-	Confirmed
AGM 2018	Friday, 26 April 2019	Madrid	Tentative
Q1 2019 results	Thursday, 9 May 2019	-	Tentative
H1 2019 results	Wednesday, 31 July 2019	-	Tentative
9M 2019 results	Wednesday, 30 October 2019	-	Tentative

Change in Currency Rates

Period	€ / Argentinean Peso	€ / Brazilian Real
Q1 2017 average	0.0599	0.2987
Q1 2018 average	0.0414	0.2507
Q1 2018 change (1)	**-30.9%**	**-16.1%**
Q2 2017 average	0.0578	0.2828
Q2 2018 average	0.0361	0.2329
Q2 2018 change (1)	**-37.5%**	**-17.6%**
Q3 2017 average	0.0493	0.2691
Q3 2018 average	0.0276	0.2181
Q3 2018 change (1)	**-44.0%**	**-19.0%**
9M 2017 average	0.0557	0.2835
9M 2018 average	0.0350	0.2339
9M 2018 change (1)	**-37.1%**	**-17.5%**

(1) Bloomberg average currency rates (a negative change in exchange rates implies a depreciation versus the Euro)

Definition of APMs

In the preparation of the financial information that is reported internally and externally, the Directors of DIA have adopted a series of Alternative Performance Measures (APMs) in order to gain a better understanding of the business performance. These APMs have been chosen according to the company's activity profile and taking into account the information of business performance commonly published by other international peers. Nevertheless, these APMs may or may not be totally comparable with those of other companies in the same industry. In all cases, APMs should be considered as data that are not intended to replace (or be superior to) IFRS measurements.

PURPOSE

The purpose of these APMs is to assist in the understanding of the business performance by providing additional useful information about the underlying performance of the activity and financial position of the company.

APMs are also used to enhance the comparability of information between reporting periods and geographical units by adjusting for other cost and revenue items or uncontrollable factors that affect IFRS measures. APMs are therefore used by Directors and management for performance analysis, planning, reporting, and incentive-setting purposes.

CHANGES TO APMs

During the period, the company has changed the wording of some APMs to adopt the recommendations of the ESMA (European Securities and Markets Authorities). Accordingly, the former expression "Non-recurring items" has been rephrased to "Other items excluded from adjusted EBIT". In accordance with this change, the old expressions "Non-recurring cash items" and "Non-recurring non-cash items" have been also adapted to the new wording "Other cash items" and "Other non-cash items" respectively.

In 2017, the calculation of "Other cash-items" includes gains on the disposal of non-current assets due to the accounting of this item as "Other income" in the consolidated P&L accounts.
This modification, introduced in full compliance with IFRS, better reflects the cash impact of "Other items excluded from adjusted EBIT".

- 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 TO GROSS SALES UNDER BANNER RECONCILIATION

(€m)	9M 2017	9M 2018	Change
Net sales	6,379.1	5,490.5	-13.9%
VAT and other	1,261.1	1,458.8	15.7%
GROSS SALES UNDER BANNER	**7,640.2**	**6,949.3**	**-9.0%**

- 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 depreciation and amortization (including amortization related to the closing of stores and impairment of fixed assets), losses on write down of fixed assets, "Other cash items" and "Expenses related to share-based payments transactions".

GROSS OPERATING PROFIT TO ADJUSTED EBITDA RECONCILIATION

(€m)	9M 2017	9M 2018	Change
Gross operating profit (EBITDA)	**318.0**	**212.7**	**33.1%**
Other cash items	52.7	67.7	28.5%
Expenses related to share-based payments transactions	-0.5	0.7	-
ADJUSTED EBITDA	**370.2**	**281.1**	**-24.1%**

- Net financial debt: Overall financial situation of the company that results by subtracting the total value of company's short-term, long-term financial debt, other financial liabilities from the total value of its cash, cash equivalents, and other liquid assets. All the information necessary to calculate the company's net debt is included in the balance sheet.

NET FINANCIAL DEBT RECONCILIATION

(€m)	9M 2017	9M 2018	Change
Long-term debt	1,041.9	1,099.7	5.5%
Short-term debt	289.8	454.9	57.0%
Cash & Cash equivalents	-190.5	-132.5	-30.5%
NET FINANCIAL DEBT	**1,141.1**	**1,422.1**	**24.6%**

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This document contains some expressions (gross sales under banner, comparable growth of gross sales under banner, adjusted EBITDA, adjusted EBIT, etc.) which are not IFRS (International Financial Reporting Standards) measures.

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