26 October 2017

Unaudited

DIA

9M/2017

Highlights

- Gross sales under banner grew by 1.5% in 9M 2017 to EUR7.73bn (1.4% up ex-currency).
- The group's LFL "ex-calendar" was 3.2% in 9M 2017, with 0.1% in Iberia and 8.8% in Emerging Markets. Both segments were impacted by a sharp slowdown in inflation and the competitive environment.
- Online sales in Spain jumped by 2.9x in the first nine months of 2017 to EUR40.2m.
- Adjusted EBITDA in the nine first months of 2017 was EUR431.6m, the same value as last year. The group's adjusted EBITDA margin went down by 5bps in the period to 6.7%.
- The targeted investment program is delivering good results, with 17% lower Capex than in the same period last year. In Iberia, DIA upgraded 562 stores in 9M 2017, of which 271 during Q3 2017.
- Good progress in cash generation, with a EUR80m reduction in net debt to EUR1.14bn.

Comments by CEO Ricardo Currás

"We remain focused on pursuing our strategy of putting the customer at the centre of everything we do, using digital transformation to connect with customers and bring new efficiencies to the business. Lower inflation across our markets and significant changes in trading conditions in recent months in Spain slowed down our sales growth in Q3 2017. We will not compromise on our commitment to give our customers the best prices in the market. As a consequence, we have revised our sales growth and adjusted EBITDA targets for the year. We believe this is the right thing to do and will help us to achieve our long-term ambitions. In Iberia, we have accelerated the process of store renovations with more than 100 additional upgrades than initially planned, 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 in sales in Iberia in Q4 2017, which we have already seen in the first three weeks of October. In Latin America, we continue to achieve outstanding customer satisfaction ratings and deliver on our promise of profitable growth despite the slowdown in sales due to lower-than-expected inflation. We are obsessed with making efficient use of our resources and, as planned, we have reduced our Capex, while achieving great sales hikes and customer ratings in our upgraded stores. We have also significantly reduced our inventory levels in Spain while improving on-shelf availability. Net debt went down versus last year and we remain on track to grow our Cash from Operations in 2017".

Financial Summary

(€m)	9M 2017	Change	Change (ex-FX)
Gross sales	**7,734**	**1.5%**	**1.4%**
Iberia	4,928	-3.4%	-3.4%
Emerging Markets	2,806	11.4%	11.2%
Like-for-like (1)			**3.2%**
Iberia			0.1%
Emerging Markets			8.8%

(€m)	9M 2017	Change	Change (ex-FX)
Net sales	**6.460**	**0.7%**	**0.5%**
Adjusted EBITDA (2)	**431.6**	**0.0%**	**-0.4%**
Adj. EBITDA margin	6.7%	-5 bps	
Adjusted EBIT (2)	**257.1**	**-1.5%**	**-1.5%**
Adj. EBIT margin	4.0%	-9 bps	
Underlying net profit	**166.7**	**1.0%**	**0.4%**

(1) Excluding the calendar effect (2) Adjusted by non-recurring items

All company figures included in this document are expressed with DIA China re-expressed as discontinued unless otherwise stated

Sales Performance

Group

- 9M 2017 gross sales under banner increased by 1.5% (1.4% ex-currency) to EUR7.73bn. Comparable sales growth amounted to 3.2% (excluding a -0.3% calendar effect).
- In Q3 2017, gross sales under banner decreased by 3.3% (+0.5% ex-currency) to EUR2.61bn, with LFL of 1.3% excluding a 0.3% calendar effect.

Iberia

- Q3 2017 gross sales under banner declined by 4.3% to EUR1.69bn, with -1.5% comparable sales growth (excluding a 0.2% positive calendar effect) due to a much more demanding competitive environment. In the first nine months, gross sales decreased by 3.4% to EUR4.93bn. By the end of September, the store selling area continued the declining pattern in Spain but at a slower rate than in previous quarters.
- In Spain, gross sales under banner went down by 4.8% in Q3 2017 to EUR1.45bn, attributable to the decrease in store selling area, the temporary closures of remodeled stores, and a decline in LFL. In 9M 2017, gross sales fell by 4% to EUR4.29bn.
- In Portugal, gross sales under banner declined by a small 0.4% in Q3 2017 to EUR0.23bn for accumulated gross sales of EUR0.64bn, 0.8% higher than in the same period last year.
- During Q3 2017, DIA accelerated the remodeling plan with the upgrade of 271 DIA Market, DIA Maxi and La Plaza stores to the new versions. We expect to end 2017 with more than 600 upgraded stores (100 more than initially planned) that set the basis for a significant recovery of comparable sales in the coming quarters.

Emerging Markets

- In Q3 2017, gross sales under banner decreased by 1.6% in Euros to EUR0.92bn, but rose by 9.5% ex-currency. This 11.1% negative currency impact is due to the respective 17.8% and 2.5% depreciation of the Argentinean Peso and Brazilian Real seen in the period. Same-store sales grew by 6.1% in the quarter (with a 0.4% calendar effect in the period) a slowdown that is namely explained by the lower inflation. During the last quarter, DIA continued to gain market share both in Argentina and Brazil.
- 9M 2017 gross sales climbed by 11.4% to EUR2.8bn (11.2% ex-currency), with 8.8% comparable sales and a zero calendar effect.
- In Brazil, gross sales under banner grew by 12.1% in the first nine months of 2017 to EUR1.50bn (0.7% ex-currency). Sales growth in local currency continued to reflect the slowdown in food inflation, getting into deflation during the entire Q3 2017 period.
- In Argentina, gross sales under banner in 9M 2017 rose by 10.6% (23% ex-currency) to EUR1.31bn.

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%**

Q3 2017 Results

Net sales

- In Q3 2017, net sales decreased by 4.1% to EUR2.17bn. In this period, sales growth in Euros was impacted by a 3.8% negative exchange-rate impact.

Operating Results

- Adjusted EBITDA fell by 5.5% to EUR153.3m, 3.9% down ex-currency.
- The adjusted EBITDA margin remained stable in the quarter at 7.1% over net sales.
- Depreciation and amortization was almost unchanged in the quarter at EUR59.1m (down 0.1%, up 1.9% ex-currency).
- Adjusted EBIT decreased by 8.6% in the quarter to EUR94.2m, 7.2% down ex-currency.
- Non-recurring items amounted to EUR24.3m in Q3 2017, when we had a concentration of personnel efficiency plans and store closures.
- EBIT decreased by 19.0% in the third quarter of 2017 to EUR69.9m (17.9% down ex-currency).

Profits

- Net profit from continuing operations went down by 21.8% to EUR39.4m, with a 1.0% positive currency effect.
- Underlying net profit fell by 4.1% to EUR60.8m, with almost no currency effect in the period.

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%	73.1%		
Long-Term Incentive Plans	1.8	0.1%	-		
Impairment and G/L in asset disposals	-0.8	0.0%	-57.5%		
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

Net sales

- In 9M 2017, net sales rose by 0.7% to EUR6.46bn. The currency appreciation had a small 0.2% positive effect on net sales growth in the period.

Operating Results

- Adjusted EBITDA of EUR431.6m in the first nine months 2017 was in line with same period last year.
- The adjusted EBITDA margin was stable in the first nine months of 2017 at 6.7%. This stable pattern is due to a small erosion of margins in Iberia and a sound improvement in emerging markets during the period.
- Depreciation and amortization increased by 2.3% in Euros to EUR174.5m, with the currency effect adding 1.0% incremental growth.
- Adjusted EBIT was almost unchanged, with a 1.5% decline to EUR257.1m, without any positive or negative currency impact.
- The total volume of non-recurring items jumped by 12.3% in the first nine months of 2017 to EUR72.6m, of which EUR59m were cash items. Non-recurring 'non-cash' items related with impairment and gains and losses on the disposal of assets almost doubled in the period to EUR14.2m.
- EBIT went down by 6.1% in the first nine months of 2017 to EUR184.6m. Currencies had a small positive 0.1% effect on the growth rate of this P&L item during the period.

Profits

- Net profit from continuing operations fell by 11.7% to EUR103.1m.
- Underlying net profit rose by 1.0% to EUR166.7m in the first nine months of 2017, with a 0.7% currency support.

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%	26.2%		
Long-Term Incentive Plans	0.5	0.0%	-		
Impairment and G/L in asset disposals	-14.2	-0.2%	82.1%		
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

Review by segment

Iberia

- Net sales fell by 5.2% in Q3 2017 to EUR1.40bn, owing to the reduction in store selling area in Spain related to closures and the temporary closures of stores upgraded during the period. The weak inflation in food products (particularly in produce) also eroded sales during the period. In the first nine months of 2017, net sales went down by 4.3% to EUR4.12bn.
- Adjusted EBITDA was down by 10.8% in Q3 2017 to EUR116.7m. In the first nine months of 2017, it decreased by 5.4% to EUR341.0m. The adjusted EBITDA margin fell by 52bps in Q3 2017 to 8.3% and by 10bps in the first nine months of 2017 to 8.3%.
- In Q3 2017, D&A declined by 4.4% in Iberia to EUR44.1m, while in the first nine months of 2017 it went down by 5.5% to EUR128.4m. This reduction in D&A is related to the growing volume of assets fully depreciated but still in perfect operating condition.
- Adjusted EBIT fell by 14.2% in Q3 2017 to EUR72.6m, reflecting a 55bps margin contraction over net sales to 5.2%. In the first nine months of 2017, adjusted EBIT went down by 5.4% to EUR212.6m, representing a small decline of 6bps in margin over net sales to 5.2%.
- The commercial efforts implemented in Spain to push sales up are bearing fruit, as revenues improved significantly in the second half of the third quarter and the first weeks of October.

(€m)	Q3 2017	Change
Net sales	**1,402.7**	**-5.2%**
Adjusted EBITDA (1)	**116.7**	**-10.8%**
Adjusted EBITDA margin	8.3%	-52 bps
D&A	-44.1	-4.4%
Adjusted EBIT (1)	**72.6**	**-14.2%**
Adjusted EBIT margin	5.2%	-55 bps
(€m)	**9M 2017**	**Change**
Net sales	**4,120.1**	**-4.3%**
Adjusted EBITDA (1)	**341.0**	**-5.4%**
Adjusted EBITDA margin	8.3%	-10 bps
D&A	-128.4	-5.5%
Adjusted EBIT (1)	**212.6**	**-5.4%**
Adjusted EBIT margin	5.2%	-6 bps

(1) Adjusted by non-recurring items

Emerging Markets

- In Q3 2017, net sales in Emerging Markets fell by 2.1% to EUR0.77bn, 8.8% up ex-currency. The respective 17.8% and 2.5% depreciation of the Argentinean Peso and Brazilian Real in the quarter led to a 10.9% negative effect on net sales in the quarter. In the first nine months of 2017, net sales rose by 11.1% in Euros to EUR2.34bn. This growth rate was still supported by a small average appreciation of the currencies during the period, leading to a 0.7% positive effect.
- Adjusted EBITDA climbed by 16.3% in Q3 2017 to EUR36.7m (24.7% ex-currency), totaling EUR90.7m in the first nine months of 2017 (+27.7% in Euros, +25.2% growth ex-currency). The adjusted EBITDA margin, at 4.8% of net sales in Q3 2017, increased by 75bps versus Q3 2016 and by 50bps in the first nine months of 2017 to 3.9%. The mains reasons behind this positive margin performance were: 1) a lower volume of openings; 2) the excellent operational and cost performance; 3) better purchasing conditions; and 4) the improving profitability of new regions in Brazil.
- D&A rose by 15.0% in Q3 2017 to EUR15.0m (24.3% ex-currency), totaling EUR46.1m of D&A in the first nine months (+33.0% in Euros, +27.9% higher ex-currency). This increase in D&A is attributable to the higher level of investment in the region in recent years.
- In Q3 2017, adjusted EBIT rose by 17.2% to EUR21.7m (25.0% ex-currency), for an accumulated EUR44.6m of adjusted EBIT in the first nine months of 2017 (+22.5% in Euros and local currency). This performance boosted the adjusted EBIT margin by 46bps in Q3 2017 to 2.8% and by18bps in the first nine months of 2017 to 1.9%.

(€m)	Q3 2017	Change	Change (ex-FX)
Net sales	**769.9**	**-2.1%**	**8.8%**
Adjusted EBITDA (1)	**36.7**	**16.3%**	**24.7%**
Adjusted EBITDA margin	4.8%	75 bps	
D&A	-15.0	15.0%	24.3%
Adjusted EBIT (1)	**21.7**	**17.2%**	**25.0%**
Adjusted EBIT margin	2.8%	46 bps	
(€m)	**9M 2017**	**Change**	**Change (ex-FX)**
Net sales	**2,340.1**	**11.1%**	**10.4%**
Adjusted EBITDA (1)	**90.7**	**27.7%**	**25.2%**
Adjusted EBITDA margin	3.9%	50 bps	
D&A	-46.1	33.0%	27.9%
Adjusted EBIT (1)	**44.6**	**22.5%**	**22.5%**
Adjusted EBIT margin	1.9%	18 bps	

(1) Adjusted by non-recurring items

Working Capital, Investment, and Debt

Trade Working Capital

- DIA's negative trade working capital grew by EUR38.1m at the end of September 2017 versus the same period last year (from EUR696.5m to EUR734.6m). This change implies a 5.5% increase (8.7% excluding the currency impact), which is a very successful achievement given the slowdown in sales growth seen in the period.
- The value of the stock was 0.5% lower, at EUR627m.The focus on improving inventory management with the implementation of the "Double-E project" is yielding very satisfactory results, with a significant decline in inventories in Spain, where the project was launched. This reduction of stocks in Spain was partly offset by the increase of inventories in emerging markets, where the store count is growing.
- Trade and other receivables rose by 2.3% in September 2017 (4.6% at constant currency).
- The value of trade and other payables climbed by EUR41.6m from EUR1.61n to EUR1.66bn (+2.6%, 5.8% higher at constant currency).
- At the end of September 2017, the value of non-recourse factoring from receivables from our suppliers amounted to EUR98.3m, EUR16.3m higher than in the same period last year.

(€m)	30 Sept 2017	Change	Change (ex-FX)
Inventories (A)	626.6	-0.5%	3.1%
Trade & other receivables (B)	294.9	2.3%	4.6%
Trade & other payables (C)	1,656.1	2.6%	5.8%
Trade Working Capital (1) (2)	**-734.6**	**5.5%**	**8.7%**

(1) Trade working capital defined as (A+B-C)
(2) Non-recourse factoring from receivables from our suppliers amounted to EUR98.3m.

Capex

- DIA invested EUR218.7m in the first nine months of 2017, 16.3% less than in the same period last year. We have been able to increase the scope of our upgrade plan while reducing the capital expenditure used. We have concentrated our efforts on projects that improve customer satisfaction and have a positive impact on sales. In addition, we are also being more demanding in relation to new openings.
- In Iberia, as expected, capital expenditure decreased by 33.9% to EUR131.6m. DIA accelerated the upgrade program to improve its formats (Dia Market, Dia Maxi, and La Plaza banners) but with a lower average investment per store than last year. We continue to deploy our strategy of profitable growth, as we expect a significant impact of these store remodelings on sales in the coming quarters.
- In Emerging Markets, investment increased by 40.2% in Euros to EUR87.1m, implying 37.7% growth ex-currency.

(€m)	9M 2017	%	Change	Change (ex-FX)
Iberia	131.6	60.2%	-33.9%	-33.9%
Emerging markets	87.1	39.8%	40.2%	37.7%
TOTAL Capex	**218.7**	**100.0%**	**-16.3%**	**-16.9%**

Net Debt

- Net debt at the end of September 2017 amounted to EUR1,14bn, EUR80.2m lower than in the same period last year.
- On 18 July, DIA paid EUR128.5m in dividends to its shareholders (vs. EUR122.2m paid last year).
- As of September 2017, the ratio of net debt over the last twelve months' adjusted EBITDA was 1.8x, which compares with 2.0x in the same period last year.

(€m)	30 Sept 2016	31 Dec 2016	30 Sept 2017
Net debt / LTM adjusted EBITDA	2.0x	1.4x	1.8x
Net debt	**1,221.3**	**878.3**	**1,141.1**

Balance Sheet

(€m)	30 Sept 2016	30 Sept 2017
Non-current assets	2,440.5	2,447.9
Inventories	641.4	626.6
Trade & Other receivables	295.6	294.9
Other current assets	104.6	95.9
Cash & Cash equivalents	121.7	190.5
Non-current assets held for sale	0.0	43.4
TOTAL ASSETS	**3,603.9**	**3,699.2**

Total equity	310.0	323.4
Long-term debt	1,041.4	1,041.9
Short-term debt	301.6	289.8
Trade & Other payables	1,663.8	1,656.1
Provisions & Other current liabilities	287.1	320.7
Liabilities associated with assets held for sale	0.0	67.3
TOTAL EQUITY & LIABILITIES	**3,603.9**	**3,699.2**

Store Count

- At the end of September 2017, DIA operated a total of 7,425 stores. This figure is 5 stores less than in the same period last year, but with 10 net openings in Q3 2017.
- In Iberia, the number of stores decreased by one in Q3 2017 to 5,465, which implies 102 stores less than in the same period last year despite 169 gross openings in the last twelve months (100 DIA, 65 Clarel, and 4 La Plaza stores). The decline in net figures is due to the transformation programme carried out in El Arbol stores and the shutdown in Spain of some underperforming Cada DIA and DIA Market stores.
- The number of supermarkets decreased from 359 to 316 over the last year; a rationalisation process that is almost completed now.
- DIA converted 562 stores into the new versions in Iberia in 9M 2017 (of which 271 in Q3 2017), well above initial company plans.
- Clarel continued its dynamic expansion with an increase of 49 stores over the last twelve months, reaching a total of 1,273 stores at the end of September 2017. This format continues to add new partners, reaching a total of 135 stores operated by franchisees by the end of September 2017, 46 more than a year ago. Franchised Clarel stores represent 10.6% of this format.
- In emerging markets, DIA operated 1,960 stores at the end of September 2017, 97 more than in the same period last year, and 11 more than last quarter. This number of openings in emerging markets was impacted by the closure of 38 Cada DIA stores in Argentina (with a relatively low level of sales) carried out in the last quarter of 2016.
- Over the last twelve months, the number of Dia banner stores operated under franchised models in Iberia rose by 59, totaling 2,315 stores, which represents 59.7% of the banner. In emerging markets, the number of franchised stores increased by 6 during this period, reaching a total of 1,220 stores, representing 62.2% of the total (66.7% in Argentina and 58.5% in Brazil).

DIA

Number of Stores

IBERIA	30 September 2016 COCO	Franchise	Total	%	30 September 2017 COCO	Franchise	Total	%	LTM change	Q3 2017 change
Dia Market	1,039	1,878	2,917	52.4%	900	1,952	2,852	52.2%	-65	8
Cada Dia / Mais Perto	0	293	293	5.3%	0	250	250	4.6%	-43	-3
Dia Market	1,039	2,171	3,210	57.7%	900	2,202	3,102	56.8%	-108	5
Dia Maxi	689	85	774	13.9%	661	113	774	14.2%	0	7
Dia banner stores	1,728	2,256	3,984	71.6%	1,561	2,315	3,876	70.9%	-108	12
% of Dia banner	43.4%	56.6%	100%		40.3%	59.7%	100%			
El Arbol / La Plaza	359	0	359	6.4%	316	0	316	5.8%	-43	-17
Clarel	1,135	89	1,224	22.0%	1,138	135	1,273	23.3%	49	4
Total IBERIA stores	**3,222**	**2,345**	**5,567**	**100%**	**3,015**	**2,450**	**5,465**	**100%**	**-102**	**-1**
% of stores	57.9%	42.1%	100%		55.2%	44.8%	100%			

EMERGING MARKETS	COCO	Franchise	Total	%	COCO	Franchise	Total	%	LTM change	Q3 2017 change
Dia Market	418	977	1,395	74.9%	397	1,006	1,403	71.6%	8	-19
Cada Dia / Mais Perto	0	184	184	9.9%	0	165	165	8.4%	-19	0
Dia Market	418	1,161	1,579	84.7%	397	1,171	1,568	80.0%	-11	-19
Dia Maxi	231	53	284	15.3%	343	49	392	20.0%	108	30
Total EM stores	**649**	**1,214**	**1,863**	**100%**	**740**	**1,220**	**1,960**	**100%**	**97**	**11**
% of stores	34.8%	65.2%	100%		37.8%	62.2%	100%			

TOTAL DIA	COCO	Franchise	Total	%	COCO	Franchise	Total	%	LTM change	Q3 2017 change
Dia Market	1,457	2,855	4,312	58.0%	1,297	2,958	4,255	57.3%	-57	-11
Cada Dia / Mais Perto	0	477	477	6.4%	0	415	415	5.6%	-62	-3
Dia Market	1,457	3,332	4,789	64.5%	1,297	3,373	4,670	62.9%	-119	-14
Dia Maxi	920	138	1,058	14.2%	1,004	162	1,166	15.7%	108	37
Dia banner stores	2,377	3,470	5,847	78.7%	2,301	3,535	5,836	78.6%	-11	23
% of Dia banner	40.7%	59.3%	100%		39.4%	60.6%	100%			
El Arbol / La Plaza	359	0	359	4.8%	316	0	316	4.3%	-43	-17
Clarel	1,135	89	1,224	16.5%	1,138	135	1,273	17.1%	49	4
TOTAL DIA stores	**3,871**	**3,559**	**7,430**	**100%**	**3,755**	**3,670**	**7,425**	**100%**	**-5**	**10**
% stores	52.1%	47.9%	100%		50.6%	49.4%	100%			

Outlook

- During 2017, the markets in which the company operates have seen a material slowdown in food inflation. This, together with the lower volume of openings during the period, is set to lead to lower sales growth than initially expected. With the support of the renewed base of stores and additional price efforts, we expect to reach positive comparable sales in Iberia in Q4 2017, and this has already been achieved in the first three weeks of October. In this revised scenario, DIA forecasts gross sales under banner to grow (ex-currency) by low single digits in 2017.

- We have seen significant changes in the competitive environment across all of our markets. We never compromise on our commitment to our customers of having the best prices in the market, and this will have an effect on our profits in Q4 2017. Accordingly, adjusted EBITDA is now expected to decline by mid single digits in 2017.

- After several years of intense activity with remodeling and restructuring plans related to acquisitions, Capex is expected to move back to historical averages of 3.5% to 4.0% of net sales. As stated at the start of the year, Capex is expected to be down in 2017, while at the same time we expanded the number of upgraded stores in Iberia. In 2017, the company forecasts capital expenditure to be around EUR300m.

- In the first nine months of 2017, DIA generated Cash from Operations of EUR153.9m, EUR30.2m higher than in the same period last year. Given the current business scenario, we remain on track to grow our Cash from Operations for the full-year 2017.

Events Following the Closing of the Period

- No relevant events were filed after the closing of the period.

Corporate Calendar

Event	Date	Status
FY 2017 earnings release	Thursday, 22 February 2018	Confirmed
AGM 2017	Friday, 20 April 2018	Tentative
Q1 2018 earnings release	Thursday, 10 May 2018	Tentative
Dividend distribution	Friday, 15 June 2018	Tentative
H1 2018 earnings release	Thursday, 26 July 2018	Tentative
9M 2018 earnings release	Tuesday, 30 October 2018	Tentative

Change in Currency Rates

Period	€ / Argentinean Peso	€ / Brazilian Real
Q1 2016 average	0.0629	0.2329
Q1 2017 average	0.0599	0.2987
Q1 2017 change (1)	**-4.8%**	**28.2%**
Q2 2016 average	0.0626	0.2431
Q2 2017 average	0.0578	0.2829
Q2 2017 change (1)	**-7.6%**	**16.4%**
Q3 2016 average	0.0599	0.2760
Q3 2017 average	0.0493	0.2691
Q3 2017 change (1)	**-17.8%**	**-2.5%**
9M 2016 average	0.0617	0.2541
9M 2017 average	0.0557	0.2835
9M 2017 change (1)	**-9.8%**	**11.6%**

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

Definition of APMs

- **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 franchises.
- **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.

Investor Relations

- David Peña Delgado
- Mario Sacedo Arriola
- Tomás Peinado Alcaraz

Tel: +34 91 398 54 00, ext: 33890
Email: investor.relations@diagroup.com
http://www.diacorporate.com/en/shareholders-investors/

- Parque Empresarial Las Rozas
- Jacinto Benavente, 2 A
- 28232 - Las Rozas (Madrid)
- SPAIN

Disclaimer

This document does not constitute a purchase, sales or exchange offer, nor is it an invitation to draw up a purchase sales or exchange offer, or advice on any stock issued by DIA.

DIA cautions that this document contains forward-looking statements found in various places throughout the presentation and include, without limitation, estimates, projections or forecasts relating to possible future trends and the performance of DIA. These forward-looking statements speak only as of the date on which they are made and the information, knowledge and views available on the date on which they are made; such knowledge, information and views may change at any time. Forward-looking statements may be identified by words such as "expects", "anticipates", "forecasts", "estimates" and similar expressions. Current and future analysts, brokers and investors must operate only on the basis of their own judgment taking into account this disclaimer, and must bear in mind that these estimates, projections and forecasts do not imply any guarantee of DIA's future performance and results, price, margins, exchange rates, or other events, which are subject to risks, uncertainties and other factors beyond DIA's control, such that the future results and the real performance could differ substantially from these forecasts, projections and estimates.

The risks and uncertainties that could affect the information provided are very difficult to anticipate and predict. DIA does not assume the obligation of publicly reviewing or updating these statements in case unforeseen changes or events occur which could affect these statements. DIA provides information on these and other factors that could affect the business and the results in the documents it presents to the CNMV (Comisión Nacional del Mercado de Valores) in Spain. This information is subject to, and must be read in conjunction with, all other publicly available information.

Accordingly, these estimates, projections and forecasts must not be taken as a guarantee of future results, and the directors are not responsible for any possible deviation that could arise in terms of the different factors that influence the future performance of the company. Neither the company, its directors nor its representatives shall have any liability whatsoever for any loss arising from any use of this document or its contents, or otherwise arising in connection with this document.

This interim Report is published in Spanish and English. In the event of any difference between the English version and the Spanish original, the Spanish version shall prevail.

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.