23 February 2015

RESULTS 2014

HIGHLIGHTS

- 2014 underlying EPS grew by 8.9% (11.3% ex-currency) to EUR0.415.
- 2014 gross sales increased by 1.1% to EUR9.4bn (9.9% in local currency). El Arbol was first consolidated in DIA's accounts on 1 November 2014. With this acquisition, Q4 2014 gross sales under banner increased by 8.4% in Q4 2014 to EUR2.57bn (14.1% in local currency).
- Like-for-like sales growth (ex-currency) was 2.9% both in Q4 2014 and 2014. In Emerging Markets, same-store sales increased by 20.7% in 2014.
- In 2014, adjusted EBITDA rose by 0.7% to EUR585.3m (5.1% ex-currency), while adjusted EBIT grew by 2.1% to EUR400.7m (6.6% ex-currency).
- At the end of 2014, DIA operated 7,306 stores, totalling 162 net openings in Q4 2014 and 406 in 2014. Additionally, at the end of 2014, DIA operated 437 El Arbol stores acquired in Spain.
- At the end of 2014, franchised stores represented 54.4% of the DIA banner stores with a net addition of 325 franchised stores last year, of which 211 in Iberia.
- Capex for 2014 amounted to EUR349.4m excluding the El Arbol acquisition, of which EUR139.4m were allocated to openings. Investment in Iberia grew by 7.0% to EUR200.5m, while in Emerging Markets expenditure increased by 13.2% to EUR144.4m (43.1% ex-currency).
- Financial leverage was set at a 0.9x net debt/adjusted EBITDA ratio, with a low EUR533m of total net debt at the end of December 2014.
- DIA's Board of Directors will propose at the AGM the distribution of a dividend of EUR0.18 per share (+12.5% vs. 2013), implying a 43.9% pay-out over underlying net profit. In addition to the dividend, the Board has also approved a EUR200m Share Buyback programme.

FINANCIAL SUMMARY

(EURm)	Q4 2013 (1)	Q4 2014 (2)	INC	INC w/o FX
Gross sales under banner	**2,373.5**	**2,572.4**	**8.4%**	**14.1%**
Net sales	2,028.5	2,190.0	8.0%	13.4%
Adjusted EBITDA (3)	**186.1**	**185.6**	**-0.3%**	**3.6%**
Adjusted EBITDA margin	9.17%	8.47%	-70 bps	
Adjusted EBIT (3)	**133.6**	**136.7**	**2.3%**	**6.8%**
Adjusted EBIT margin	6.58%	6.24%	-34 bps	
Net attributable profit	**64.4**	**106.9**	**66.1%**	**69.7%**
Underlying net profit	81.6	94.1	15.4%	18.8%
Net debt	**651.0**	**533.4**	**-18.1%**	
Net debt / Adjusted EBITDA	1.1x	0.9x		

(1) Figures with France, Turkey and Beijing activities re-expressed as discontinued
(2) Figures with France activities re-expressed as discontinued, (3) Adjusted by non-recurring items

/ COMMENT BY CEO RICARDO CURRAS

"2014 has been another year of profitable growth, with sales up by over 9% and adjusted EBIT up by close to 7%, at constant rates.

In an adverse deflationary context in Iberia, we managed to achieve a good set of results, preserving EBITDA margins and gaining market share in Spain.

In Emerging Markets, growth is accelerating with very strong sales, profits and market share gains. At constant currency, sales rose by 30% in 2014 and adjusted EBIT climbed by over 60%.

I want to congratulate all the teams involved in the successful execution of the exit from France, the El Árbol acquisition and the integration of Schlecker. Last year, more than 600 Schlecker stores were transformed to the new Clarel banner and more than 1,000 SKUs under our new private label brands were launched. The expansion teams also did a great job last year, with the opening of 406 new stores and the addition of 325 franchises.

Our prospects for 2015 include an ideal mix of growth and profit sustainability in our core markets. In Spain, we will continue to explore opportunities to consolidate our market position, while continuing to rapidly expand our successful discounter format in Argentina and Brazil."

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1 / Q4 2014 RESULTS

In Q4 2014, the business of El Arbol in Spain was consolidated in the DIA accounts for the first time. This acquisition started to be integrated into DIA's consolidation perimeter on 1 November 2014.

Accordingly, gross sales under banner in Q4 2014 grew by 8.4% to EUR2.57bn, up 14.1% in local currency. Sales were hit by the strong depreciation of the Argentinean Peso (-22.4%) in Q4 2014, while the Brazilian Real reflected a small depreciation against the Euro in the last quarter of 2014 (-2.7%). In Q4 2014, the calendar effect was negative in Iberia and slightly supportive in the emerging markets.

The gross margin of the consolidated accounts expanded by 50bps in Q4 2014 versus last year. Apart from the effect of the Latam currencies, gross margin in Q4 2014 was also impacted by the new consolidation of El Arbol, as its sales include a higher proportion of fresh products. Adjusted by these two effects, the gross margin in the quarter would have decreased by 50bps.

Adjusted EBITDA in Q4 2014 amounted to EUR185.6m, almost the same figure as last year in Euros and +3.6% in local currency. This amount of adjusted EBITDA implies a 70bps decline in margin to 8.5%, which is namely attributable to El Arbol. The adjusted EBIT was EUR136.7m in Q4 2014, up 6.8% in local currency.

Net financial expenses declined by 4.4% in Q4 2014 to EUR9.7m thanks to the better cost of funds related with the EUR500m note issuance. The effective tax rate in Q4 2014 was 24.8%, 10pp lower than in the same period last year.
At the bottom line, net attributable profit increased by 66% from EUR64.4m to EUR106.9m in Q4 2014, with a EUR44.4m contribution from discontinued operations.

Q4 2014 RESULTS

(EURm)	Q4 2013 (1)	%	Q4 2014 (2)	%	INC	INC w/o FX
Gross sales under banner	2,373.5		2,572.4		8.4%	14.1%
Net sales	2,028.5	100.0%	2,190.0	100.0%	8.0%	13.4%
Cost of sales & other income	(1,566.8)	-77.2%	(1,680.0)	-76.7%	7.2%	12.9%
Gross profit	461.7	22.8%	510.0	23.3%	10.4%	15.0%
OPEX	(275.7)	-13.6%	(324.4)	-14.8%	17.7%	22.6%
Adjusted EBITDA (3)	186.1	9.2%	185.6	8.5%	-0.3%	3.6%
D&A	(52.5)	-2.6%	(48.9)	-2.2%	-6.8%	-4.4%
Adjusted EBIT (3)	133.6	6.6%	136.7	6.2%	2.3%	6.8%
Non-recurring items	(10.4)	-0.5%	(43.9)	-2.0%		
EBIT	123.1	6.1%	92.8	4.2%	-24.7%	-20.5%
Net financial income/expenses	(10.1)	-0.5%	(9.7)	-0.4%	-4.4%	11.0%
EBT	113.0	5.6%	83.1	3.8%	-26.5%	-23.3%
Income taxes	(39.3)	-1.9%	(20.6)	-0.9%	-47.6%	-44.4%
Consolidated profit	73.7	3.6%	62.5	2.9%	-15.2%	-12.1%
Net income from discontinued op.	(9.3)	-0.5%	44.4	2.0%		
Minority interests			0.0	0.0%		
Net attributable profit	64.4	3.2%	106.9	4.9%	66.1%	69.7%
Underlying net profit	81.6	4.0%	94.1	4.3%	15.4%	18.8%

(1) Figures with France, Turkey and Beijing activities re-expressed as discontinued
(2) Figures with France activities re-expressed as discontinued, (3) Adjusted by non-recurring items

The non-recurring items of Q4 2014 amounted to EUR43.9m. A significant proportion of the non-recurring items is related to the restructuring charges of El Arbol, although this is also explained by the costs associated to the transfer of stores from COCO to COFO among other efficiency actions implemented by the company.

NON-RECURRING ITEMS

(EURm)	Q4 2013 (1)	%	Q4 2014 (2)	%	INC
Restructuring costs & other	(10.3)	-0.5%	(33.9)	-1.5%	228.0%
Impairment	1.5	0.1%	(5.6)	-0.3%	-473.6%
Gains/losses on disposal of assets	(1.6)	-0.1%	(4.5)	-0.2%	177.1%
Total non-recurring items	**(10.4)**	**-0.5%**	**(43.9)**	**-2.0%**	**320.5%**

(1) Figures with France, Turkey and Beijing activities re-expressed as discontinued
(2) Figures with France activities re-expressed as discontinued

2 / FY 2014 RESULTS

Gross sales under banner reached EUR9.40bn in 2014, up 1.1% in Euros and 9.9% in local currency. The strong depreciation of the Argentinian Peso and the Brazilian Real during 2014 (-32.8% and -8.5% respectively) was reflected in almost 9 percentage points of absolute effect on annual sales growth.

Adjusted EBITDA rose by 0.7% in 2014 to EUR585.3m (+5.1% in local currency), with a stable margin over net sales of 7.3%. Adjusted EBIT amounted to EUR400.7m in 2014, a 2.1% rise in Euros and 6.6% in local currency.

Net financial expenses in 2014 amounted to EUR40.7m, 23.7% higher than in the previous year due to the higher average net debt held during the year and the exceptional costs of the refinancing process: a note issuance of EUR500m and EUR400m in revolving credit facilities.

The discontinued operations in France contributed EUR120.6m to the net attributable profit, which grew by 57.3% in 2014 to EUR329.2m. The effective tax rate of the year was 26.3%, significantly lower than the 31.4% seen in 2013. In 2015 and 2016 DIA expects a steady decline in effective tax rate thanks to the change in the nominal tax rate recently enforced in Spain (from 30% to 28% in 2015 and 25% in 2016).

FY 2014 RESULTS

(EURm)	2013 (1)	%	2014 (2)	%	INC	INC w/o FX
Gross sales under banner	9,297.0		9,399.9		1.1%	9.9%
Net sales	7,945.6	100.0%	8,011.0	100.0%	0.8%	9.2%
Cost of sales & other income	(6,217.9)	-78.3%	(6,244.8)	-78.0%	0.4%	9.3%
Gross profit	1,727.7	21.7%	1,766.2	22.0%	2.2%	8.8%
Labour costs	(628.4)	-7.9%	(660.2)	-8.2%	5.1%	12.5%
Other operating expenses	(288.5)	-3.6%	(277.3)	-3.5%	-3.9%	7.3%
Real estate rents	(229.5)	-2.9%	(243.4)	-3.0%	6.1%	9.8%
OPEX	(1,146.3)	-14.4%	(1,180.9)	-14.7%	3.0%	10.7%
Adjusted EBITDA (3)	581.4	7.3%	585.3	7.3%	0.7%	5.1%
D&A	(188.9)	-2.4%	(184.6)	-2.3%	-2.3%	2.0%
Adjusted EBIT (3)	392.4	4.9%	400.7	5.0%	2.1%	6.6%
Non-recurring items	(38.4)	-0.5%	(76.8)	-1.0%	99.9%	105.3%
EBIT	354.0	4.5%	323.9	4.0%	-8.5%	-4.1%
Net financial income/expenses	(32.9)	-0.4%	(40.7)	-0.5%	23.7%	48.3%
EBT	321.1	4.0%	283.2	3.5%	-11.8%	-9.5%
Income taxes	(100.8)	-1.3%	(74.6)	-0.9%	-26.0%	-23.2%
Consolidated profit	220.3	2.8%	208.6	2.6%	-5.3%	-3.2%
Net income from discontinued op.	(24.3)	-0.3%	120.6	1.5%		
Minority interests	(13.2)	-0.2%	0.0	0.0%		
Net attributable profit	209.3	2.6%	329.2	4.1%	57.3%	59.6%
Underlying net profit	246.4	3.1%	267.2	3.3%	8.4%	10.8%

(1) Figures with France, Turkey and Beijing activities re-expressed as discontinued
(2) Figures with France activities re-expressed as discontinued, (3) Adjusted by non-recurring items

The volume of non-recurring items reached EUR76.8m in 2014, of which EUR59.7m corresponding to restructuring costs and other. The accrued expenses related to the new LTIP 2014-2016 are included in the "restructuring costs & other" line.

NON-RECURRING ITEMS

(EURm)	2013 (1)	%	2014 (2)	%	INC
Restructuring costs & other	(32.3)	-0.4%	(59.7)	-0.7%	85.0%
Impairment	1.5	0.0%	(5.5)	-0.1%	-468.0%
Gains/losses on disposal of assets	(7.6)	-0.1%	(11.6)	-0.1%	51.4%
Total non-recurring items	**(38.4)**	**-0.5%**	**(76.8)**	**-1.0%**	**99.9%**

(1) Figures with France, Turkey and Beijing activities re-expressed as discontinued
(2) Figures with France activities re-expressed as discontinued

Underlying net profit increased by 8.4% in 2014 to EUR267.2m (10.8% at constant currency).

UNDERLYING NET PROFIT

(EURm)	2013 (1)	2014 (2)	INC
Net attributable profit	209.3	329.2	57.3%
Non-recurring items	38.4	76.8	99.9%
Other financials	(1.1)	5.8	-639.4%
Discontinued operations	11.1	(120.6)	-1189.0%
Taxes	(11.2)	(24.1)	114.6%
UNDERLYING NET PROFIT	**246.4**	**267.2**	**8.4%**

(1) Figures with France, Turkey and Beijing activities re-expressed as discontinued
(2) Figures with France activities re-expressed as discontinued

As of 31 December 2014, the company held 11,508,762 shares as treasury stock (1.8% of the capital) at an average price of EUR5.11 per share. This stake is maintained to cover the potential distribution of shares related to the execution of the long-term incentive plans for management approved at the AGM.

TREASURY STOCK & EPS

	2013	2014	INC
Number of shares outstanding	651,070,558	651,070,558	0.0%
Average number of treasury shares	5,025,208	7,647,083	52.2%
End of period number of treasury shares	5,901,981	11,508,762	95.0%
WEIGHTED AVERAGE NUMBER OF SHARES	**646,045,350**	**643,423,475**	**-0.4%**
Reported EPS	€0.324	€0.512	58.0%
Underlying EPS	€0.381	€0.415	8.9%

At the AGM in April 2015, the Board of Directors will propose a dividend of EUR0.18 per share, 12.5% higher than the EUR0.16 per share paid on 16 July 2014 against 2013 results. This dividend amount represents a 43.9% payout ratio calculated on underlying net profit and will imply the distribution of EUR115m in dividends to shareholders. Additionally, the Board of Directors has also approved a EUR200m Share Buyback programme to be redeemed during 2015. At current market prices, this amounts to 4.9% of the company's equity.

Underlying EPS increased by 8.9% in 2014 to EUR0.415, which represents an 11.3% increase at constant currency. Taking into account the reported EPS of 2012, this amount represents a 20.3% CAGR 2012-14 in current terms and 21.6% in constant currency, well ahead of the double-digit growth guidance set by the company for the 2012-15 period.

3 / WORKING CAPITAL & NET DEBT

DIA's negative trade working capital at the end of 2014 was EUR895m, a 3.7% decrease versus the same date last year. Adjusted by the opening balance of El Arbol trade working capital would have decreased by EUR162.7m.

The growth in inventories is namely related to the store openings, the Clarel remodelling and the new integration of El Arbol. Trade receivables returned to its standard volumes once the disposal of DIA France was closed. The increase observed in this topic namely corresponds to the dynamic expansion of the franchised activity and some incremental charges to suppliers.

WORKING CAPITAL

(EURm)	31 DEC 2013 (1)	31 DEC 2014	INC
Inventories	432.2	553.1	28.0%
Trade & other receivables	195.1	244.6	25.3%
Trade & other payables	(1,557.6)	(1,693.1)	8.7%
Trade working capital	**(930.3)**	**(895.4)**	**-3.7%**

(1) Figures with France and Beijing assets and liabilities held for sale

At the end of 2014, DIA's net debt was EUR533m, EUR118m less than same period last year. During 2014, several factors had an impact on the company's net debt: lower negative working capital due to lower sales growth, a debt reduction of EUR626m from the disposal of DIA France, EUR114m from the acquisition of El Arbol, a EUR22m cash-out related to the purchase of a warehouse in Portugal (previously leased), EUR103m in dividends paid out in July 2014 (EUR19.4m more than in July 2013), and EUR37m cash equivalent of new equity-swap signed to hedge the new 2014-2016 Long-Term Incentive Plan.

The company's net debt at end-2014 reflects a 0.9x ratio over adjusted EBITDA, improving by 0.2x versus 2013.This amount of net debt does not take into account the asset deal signed with Eroski in Spain, whose purchase price is limited to a maximum of EUR146m.

NET DEBT

(EURm)	31 DEC 2013 (1)	31 DEC 2014 (2)	INC
Long-term debt	*700.7*	*532.5*	*-24.0%*
Short-term debt	*212.3*	*199.9*	*-5.8%*
Total debt	913.0	732.4	-19.8%
Cash & cash equivalents	(262.0)	(199.0)	-24.1%
Net debt	**651.0**	**533.4**	**-18.1%**
Net debt / Adjusted EBITDA	1.1x	**0.9x**	**-18.6%**

(1) Figures with Turkey and Beijing assets and liabilities held for sale
(2) Figures with France assets and liabilities held for sale

4 / STORE COUNT AND CAPEX

At the end of December 2014, DIA operated 7,306 stores, with 406 net openings over the last twelve months, of which 352 correspond to DIA and 54 to Clarel. At the end of December 2014, a total of 741 Clarel stores were already operating, of which 606 were remodelled from Schlecker during the year. Additionally, at the end of 2014 DIA had 437 El Arbol stores in Spain acquired in November 2014.

The company maintained its focus on the franchise activity in 2014. Over the last twelve months, the total number of franchised DIA format stores (both COFO and FOFO) increased by 325 (+12%) from 2,734 to 3,059 stores. The contribution of franchised stores in the DIA format increased accordingly from 51.8% to 54.4%, 2.6 percentage points more than during same period last year.

It is worth highlighting that during 2014 the franchised activity continued its progress in both regions. The total number of franchised stores rose by 211 in Iberia and by 113 in Emerging Markets over the last twelve months. In Emerging Markets, franchised stores represented 60.9% of the network.

NUMBER OF STORES BY FORMAT AND OPERATIONAL MODEL

	2013 (1)	%	2014 (2)	%	CHANGE
DIA Urban	239	8.3%	264	7.8%	25
DIA Market	1,486	51.5%	1,447	43.0%	-39
Schlecker/Clarel	1,162	40.2%	1,217	36.2%	55
El Arbol	0	0.0%	437	13.0%	437
PROXIMITY	**2,887**	**78.0%**	**3,365**	**79.7%**	**478**
DIA Parking	12	1.5%	5	0.6%	-7
DIA Maxi	803	98.5%	851	99.4%	48
ATRACTION	**815**	**22.0%**	**856**	**20.3%**	**41**
Total COCO stores	**3,702**	**57.3%**	**4,221**	**57.8%**	**519**
FOFO	1,452	52.6%	1,507	48.8%	55
COFO	1,282	46.4%	1,552	50.3%	270
COFO Schlecker/Clarel	27	1.0%	26	0.8%	-1
Total FRANCHISED stores	**2,761**	**42.7%**	**3,085**	**42.2%**	**324**
Total DIA stores	5,274	81.6%	5,626	77.0%	352
Total Clarel stores	1,189	18.4%	1,243	17.0%	54
Total El Arbol stores	0	0.0%	437	6.0%	437
TOTAL NUMBER OF STORES	**6,463**	**100.0%**	**7,306**	**100.0%**	**843**

(1) Figures with France, Turkey and Beijing re-expressed as discontinued

(2) Figures with France activities re-expressed as discontinued

Over the last year, the total number of stores increased by 186 in Iberia, of which 132 under the DIA/Minipreço banner, and 54 under the Clarel banner. At the end of December, after the integration of El Arbol, the total number of stores in Iberia reached 5,415, of which 4,781 in Spain. In Emerging Markets, DIA already operates 1,891 stores, with 220 net openings over the last year, namely in Brazil and Argentina.

The reduction in the number of FOFO stores in Iberia is attributable to the company's decision to acquire some of these stores and convert them into COFO and also to close stores showing a low level of performance.

NUMBER OF STORES BY OPERATIONAL MODEL AND SEGMENT

		2013 (1)	%	2014 (2)	%	CHANGE
IBERIA	COCO	1,907	52.9%	2,264	54.3%	357
	COFO	804	22.3%	1,062	25.5%	258
	FOFO	892	24.8%	846	20.3%	-46
	IBERIA DIA + El ARBOL stores	**3,603**	**100.0%**	**4,172**	**100.0%**	**569**
	COCO	1,162	97.7%	1,217	97.9%	55
	COFO	27	2.3%	26	2.1%	-1
	FOFO	0	0.0%	0	0.0%	0
	IBERIA CLAREL/SCHLECKER	**1,189**	**100.0%**	**1,243**	**100.0%**	**54**
EMERGING MARKETS	COCO	633	37.9%	740	39.1%	107
	COFO	478	28.6%	490	25.9%	12
	FOFO	560	33.5%	661	34.9%	101
	EMERGING MARKETS	**1,671**	**100.0%**	**1,891**	**100.0%**	**220**
DIA stores	COCO	2,540	48.2%	3,004	49.5%	464
	COFO	1,282	24.3%	1,552	25.6%	270
	FOFO	1,452	27.5%	1,507	24.9%	55
	TOTAL DIA + EL ARBOL stores	**5,274**	**100.0%**	**6,063**	**100.0%**	**789**
SCHLECKER CLAREL stores	COCO	1,162	97.7%	1,217	97.9%	55
	COFO	27	2.3%	26	2.1%	-1
	FOFO	0	0.0%	0	0.0%	0
	TOTAL CLAREL/SCHLECKER	**1,189**	**100.0%**	**1,243**	**100.0%**	**54**
TOTAL DIA	COCO	3,702	57.3%	4,221	57.8%	519
	COFO	1,309	20.3%	1,578	21.6%	269
	FOFO	1,452	22.5%	1,507	20.6%	55
	TOTAL stores	**6,463**	**100.0%**	**7,306**	**100.0%**	**843**

(1) Figures with France, Turkey and Beijing activities re-expressed as discontinued.

(2) Figures with France activities re-expressed as discontinued.

In 2014, DIA invested EUR349.4m, 3.4% less than in 2013. Excluding the activity in France that was sold in 2014, DIA's capital expenditure would have increased by 9.5% in comparison with the previous year. In 2014, total capex allocated to Iberia rose by 7.0% to EUR200.5m, while in emerging markets it grew by 13.2% to EUR144.4m (+43.1% in local currency). These incremental capex efforts in emerging markets were translated into the very dynamic expansion rates, and, in the case of Brazil and Argentina, outstanding market share gains.

CAPEX

BY SEGMENT (EURm)	2013	%	2014	%	INC
Iberia	187.4	51.8%	200.5	57.4%	7.0%
Emerging Markets	127.5	35.3%	144.4	41.3%	13.2%
France	46.9	13.0%	4.5	1.3%	-90.4%
TOTAL	**361.8**	**100.0%**	**349.4**	**100.0%**	**-3.4%**
BY CONCEPT (EURm)	**2013**	**%**	**2014**	**%**	**INC**
Openings	139.4	38.5%	139.4	39.9%	0.0%
Remodelling & Ongoing	222.4	61.5%	210.0	60.1%	-5.6%
TOTAL	**361.8**	**100.0%**	**349.4**	**100.0%**	**-3.4%**

(1) France capex not included after Q1 2014

During 2014, DIA added 667 stores to the network (including openings and remodelling), taking the final number of Clarel stores to 741 by the end of 2014. In Spain 85 DIA Market stores were upgraded during Q4 2014 to a total of 349 stores operated under the Market III version by the end of 2014, of which 273 directly operated and 76 franchised. In Spain the remodelling plan for 2015 comprises more than 700 stores upgraded into the Market III version and initiate the renovation of the DIA Maxi stores.

STORES BY COUNTRY AND OPERATIONAL MODEL

	2013			2014			INC
	COCO	COFO + FOFO	TOTAL	COCO	COFO + FOFO	TOTAL	
Spain	2,694	1,457	4,151	3,135	1,646	4,781	630
Portugal	375	266	641	346	288	634	-7
IBERIA	**3,069**	**1,723**	**4,792**	**3,481**	**1,934**	**5,415**	**623**
o/w Schlecker/Clarel	*1,162*	*27*	*1,189*	*1,217*	*26*	*1,243*	*54*
o/w El Arbol	*0*	*0*	*0*	*437*	*0*	*437*	*437*
Argentina	193	450	643	238	486	724	81
Brazil	251	416	667	304	495	799	132
Shanghai	189	172	361	198	170	368	7
EMERGING MARKETS	**633**	**1,038**	**1,671**	**740**	**1,151**	**1,891**	**220**
TOTAL DIA	**3,702**	**2,761**	**6,463**	**4,221**	**3,085**	**7,306**	**843**

In 2014, DIA proceeded with its dynamic expansion plan in Brazil by opening the fourth region in the country (Bahia state) and adding more than 59,000 sqm of commercial space to the network, 18% more than the year before.

(Mln sqm)	2013	%	2014	%	INC	SQM ADDED
Spain	1.4614	63.9%	1.8294	67.1%	25.2%	367,965
Portugal	0.2295	10.0%	0.2255	8.3%	-1.7%	-3,961
IBERIA	**1.6909**	**73.9%**	**2.0549**	**75.4%**	**21.5%**	**364,004**
o/w Schlecker/Clarel	0.1909	8.3%	0.2005	7.4%	5.0%	9,608
o/w El Arbol			0.3098	11.4%		309,820
Argentina	0.1883	8.2%	0.2041	7.5%	8.4%	15,774
Brazil	0.3277	14.3%	0.3869	14.2%	18.1%	59,156
Shanghai	0.0806	3.5%	0.0809	3.0%	0.3%	259
EMERGING MARKETS	**0.5966**	**26.1%**	**0.6718**	**24.6%**	**12.6%**	**75,189**
TOTAL DIA	**2.2876**	**100.0%**	**2.7268**	**100.0%**	**19.2%**	**439,192**

5 / BUSINESS REVIEW BY GEOGRAPHY

In Iberia, gross sales under banner increased by 4.4% in Q4 2014 to EUR1.63bn, of which EUR78.7m came from Schlecker/Clarel and EUR133.5m from the recently integrated El Arbol stores. Like-for-like gross sales under banner declined by 6.7% in Q4 2014 with almost one percentage point of negative calendar effect in the quarter.

Although it looks as if the worst of the deflationary period is over, business conditions during Q4 2014 were still adverse in Iberia. Despite the positive signs of a recovery in private consumption, consumers maintained a very cautious shopping attitude towards food, which translated into a declining value of the food retail market. By country, business conditions in food retail remain extremely challenging in Portugal, maintaining relatively worse operating numbers than in Spain.

In Q4 2014, DIA slowed down the remodelling plan to Market III in Spain so as not to disturb the business activities during this important season. In the last quarter, DIA upgraded 85 stores to DIA Market III and 55 stores to Clarel, half the number of Q3 2014.

In this context, adjusted EBITDA declined by 5% in Q4 2014 to EUR153.4m, while adjusted EBIT amounted to EUR115.7m, down by 2.3%. These figures were negatively impacted by the new integration of El Arbol (two months in Q4 2014), as this is currently a loss-making asset. Accordingly, the adjusted EBITDA margin fell by 105bps in the quarter to 11.0%, while the adjusted EBIT margin declined by 54bps to 8.3%.

In terms of the full-year 2014 figures, gross sales slid by 0.8% to EUR6.10bn, of which EUR316.1m came from Schlecker/Clarel. Adjusted EBITDA declined by 1.2%, in line with net sales, while adjusted EBIT grew by 0.4% to EUR353.7m.

In 2014, DIA once again managed to gain market share in Spain. According to Kantar World Panel, in 2014 DIA (excluding El Arbol) was able to grab 22bps, securing a final market share of 7.83%.

IBERIA

(EURm)	Q4 2013	Q4 2014	INC
Gross sales under banner	**1,562.5**	**1,632.0**	**4.4%**
of which Schlecker/Clarel	*81.1*	*78.7*	*-3.0%*
of which El Arbol	-	*133.5*	-
LFL gross sales under banner			**-6.7%**
Net sales	1,344.4	1,400.1	4.1%
Adjusted EBITDA (1)	**161.4**	**153.4**	**-5.0%**
Adjusted EBITDA margin	12.0%	11.0%	-105 bps
Adjusted EBIT (1)	**118.4**	**115.7**	**-2.3%**
Adjusted EBIT margin	8.8%	8.3%	-54 bps
(EURm)	**2013**	**2014**	**INC**
Gross sales under banner	**6,143.4**	**6,095.5**	**-0.8%**
of which Schlecker/Clarel	*291.7*	*316.1*	*8.3%*
of which El Arbol	-	*133.5*	-
LFL gross sales under banner			**-5.9%**
Net sales	5,283.7	5,221.6	-1.2%
Adjusted EBITDA (1)	**504.7**	**498.9**	**-1.2%**
Adjusted EBITDA margin	9.6%	9.6%	0 bps
Adjusted EBIT (1)	**352.2**	**353.7**	**0.4%**
Adjusted EBIT margin	6.7%	6.8%	11 bps

(1) Adjusted for non-recurring items, (2) Eleven months of contribution in 2013

DIA continues to see a very strong performance in its emerging markets. According to Nielsen, in 2014 DIA gained 70bps of market share in Brazil, reaching 7.1%, and 140bps in Argentina, rising to 12.1%.

In Q4 2014, gross sales under banner grew by 32.6% in local currency, with a 22.1% contribution from comparable sales growth. Sales figures in Euros increased by 16.0% to EUR0.94bn, again hit by the strong depreciation of the Argentinean Peso (-22.4% in Q4 2014 and -32.8% in 2014) and the Brazilian Real (-2.7% depreciation in Q4 2014 and -8.5% in 2014).

In Euros, adjusted EBITDA jumped by 30.5% in Q4 2014 to EUR32.2m (+60% ex-currency) with a 47bps expansion in margins to 4.1% despite the recent opening of two regions in Brazil (Minas Gerais in 2013 and Bahia in 2014). Adjusted EBIT soared by 38% in Euros to EUR21.0m (+78% ex-currency), with a 44bps hike in the margin over net sales to 2.7%.

In 2014, gross sales under banner grew by 4.8% in Euros (to EUR3.3bn) and 30.6% in local currency. Same-store sales growth reached 20.7% due the high rates in Argentina and the healthy real growth achieved in Brazil.

At the operating profit line, adjusted EBITDA grew by 12.7% in 2014 to EUR86.4m (+46.4% in constant currency), with a 22bps margin expansion. Adjusted EBIT grew by 16.7% to EUR46.9m in 2014 (+60.6% ex-currency) with a 17bps expansion in the margin over net sales to 1.7%.

EMERGING MARKETS

(EURm)	Q4 2013	Q4 2014	INC	INC w/o FX
Gross sales under banner	811.0	940.4	16.0%	32.6%
LFL gross sales under banner				22.1%
Net sales	684.2	789.9	15.5%	31.6%
Adjusted EBITDA (1)	**24.7**	**32.2**	**30.5%**	**59.9%**
Adjusted EBITDA margin	3.6%	4.1%	47 bps	
Adjusted EBIT (1)	**15.2**	**21.0**	**38.3%**	**77.8%**
Adjusted EBIT margin	2.2%	2.7%	44 bps	
(EURm)	**2013**	**2014**	**INC**	**INC w/o FX**
Gross sales under banner	3,153.5	3,304.5	4.8%	30.6%
LFL gross sales under banner				20.7%
Net sales	2,661.9	2,789.4	4.8%	29.9%
Adjusted EBITDA (1)	**76.6**	**86.4**	**12.7%**	**46.4%**
Adjusted EBITDA margin	2.9%	3.1%	22 bps	
Adjusted EBIT (1)	**40.2**	**46.9**	**16.7%**	**60.6%**
Adjusted EBIT margin	1.5%	1.7%	17 bps	

(1) Adjusted by non-recurring items

6 / OUTLOOK

- In 2015 DIA expects to accelerate its sales growth thanks to the sustained organic expansion, new contribution from company acquisitions (El Arbol) and integration of Eroski stores (asset deal pending of approval from antitrust authorities).
- DIA forecasts to continue to grow its adjusted EBITDA for 2015 with a combination of organic growth and positive contribution from acquisitions although reflecting a dilutive effect on operating margins.
- DIA budgets from EUR330m to EUR340m capex in 2015 at comparable perimeter. In 2015 DIA will continue making a bigger investment effort in emerging markets, devoting 25% more capex than in 2014. The company has also committed to spend up to EUR146m in a group of Eroski stores in Spain. Additionally, DIA will invest around EUR50m in 2015 in the remodelling of the recent acquisitions.
- DIA maintains its double-digit CAGR 2012-15 underlying EPS target at constant currency.

7 / CORPORATE CALENDAR

EVENT	DATE	STATUS
AGM	Friday, 24 April 2015	Tentative
Q1 2015 earnings release	Tuesday, 12 May 2015	Confirmed
EUR0.18 dividend distribution	Thursday, 16 July 2015	Tentative
Q2 2015 earnings release	Tuesday, 28 July 2015	Tentative
Q3 2015 earnings release	Tuesday, 27 October 2015	Tentative

8 / 2014 MILESTONES

DATE	EVENT
12 March 2014	2nd Investor's Day (Barcelona)
2 June 2014	Corporate ratings assigned by Moody's (Baa3) and Standard & Poor's (BBB-)
20 June 2014	Announcement of the firm purchase of DIA France
2 July 2014	Agreement to acquire El Arbol
10 July 2014	EUR500m notes issue and EUR400m syndicated revolving credit facility
16 July 2014	EUR0.16/share dividend distribution
31 July 2014	Execution of the DIA France sale
31 October 2014	Closing of El Arbol acquisition
4 November 2014	Agreement to purchase 160 Eroski stores in Spain
1 December 2014	Closing of disposal of DIA France

9 / EVENTS FOLLOWING THE CLOSE OF THE PERIOD

- There are no significant events following year-end.

10 (I) / SALES BY COUNTRY

GROSS SALES UNDER BANNER

(EURm)	2013 (1)	%	2014 (2)	%	INC	INC (w/o FX)
Spain	5,199.4	55.9%	5,219.4	55.5%	0.4%	0.4%
Portugal	944.0	10.2%	876.1	9.3%	-7.2%	-7.2%
IBERIA	**6,143.4**	**66.1%**	**6,095.5**	**64.8%**	**-0.8%**	**-0.8%**
Argentina	1,322.4	14.2%	1,374.0	14.6%	3.9%	53.5%
Brazil	1,629.6	17.5%	1,729.5	18.4%	6.1%	15.9%
China (Shanghai)	201.5	2.2%	200.9	2.1%	-0.3%	-0.1%
EMERGING MARKETS	**3,153.5**	**33.9%**	**3,304.5**	**35.2%**	**4.8%**	**30.6%**
TOTAL DIA	**9,297.0**	**100.0%**	**9,399.9**	**100.0%**	**1.1%**	**9.9%**

(1) Figures with France, Turkey and Beijing activities re-expressed as discontinued.
(2) Figures with France activities re-expressed as discontinued.

NET SALES

(EURm)	2013 (1)	%	2014 (2)	%	INC	INC (w/o FX)
Spain	4,499.5	56.6%	4,496.9	56.1%	-0.1%	-0.1%
Portugal	784.2	9.9%	724.7	9.0%	-7.6%	-7.6%
IBERIA	**5,283.7**	**66.5%**	**5,221.6**	**65.2%**	**-1.2%**	**-1.2%**
Argentina	1,052.4	13.2%	1,096.0	13.7%	4.1%	54.1%
Brazil	1,440.7	18.1%	1,523.7	19.0%	5.8%	15.6%
China (Shanghai)	168.8	2.1%	169.6	2.1%	0.5%	0.6%
EMERGING MARKETS	**2,661.9**	**33.5%**	**2,789.4**	**34.8%**	**4.8%**	**29.9%**
TOTAL DIA	**7,945.6**	**100.0%**	**8,011.0**	**100.0%**	**0.8%**	**9.2%**

(1) Figures with France, Turkey and Beijing activities re-expressed as discontinued
(2) Figures with France activities re-expressed as discontinued

10 (II) / CHANGE IN CURRENCY RATES

PERIOD	EUR / Argentinean Peso	EUR / Brazilian Real	EUR / Chinese Yuan
Q1 2013	0.1511	0.3795	0.1217
Q1 2014	0.0966	0.3089	0.1196
Q1 2014 change	*-36.1%*	*-18.6%*	*-1.7%*
Q2 2013	0.1462	0.3708	0.1244
Q2 2014	0.0905	0.3271	0.1170
Q2 2014 change	*-38.1%*	*-11.8%*	*-5.9%*
Q3 2013	0.1354	0.3301	0.1233
Q3 2014	0.0910	0.3319	0.1225
Q3 2014 change	*-32.8%*	*0.6%*	*-0.6%*
Q4 2013	0.1212	0.3228	0.1206
Q4 2014	0.0941	0.3142	0.1303
Q4 2014 change	*-22.4%*	*-2.7%*	*8.0%*
FY 2013	0.1384	0.3505	0.1225
FY 2014	0.0930	0.3206	0.1224
FY 2014 change	*-32.8%*	*-8.5%*	*-0.1%*

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

10 (III) / BALANCE SHEET

(EURm)	31 DEC 2013	31 DEC 2014
Non-current assets	2,239.7	1,997.0
Inventories	544.9	553.1
Trade & other receivables	209.7	244.6
Other current assets	108.2	133.3
Cash & cash equivalents	262.0	199.0
Non-current assets held for sale	6.1	0.0
TOTAL ASSETS	**3,370.6**	**3,127.0**
Total equity	183.6	377.6
Long-term debt	700.7	532.5
Provisions	80.8	93.6
Deferred tax liabilities	58.0	2.7
Short-term debt	212.3	199.9
Trade & other payables	1,786.9	1,693.1
Other current liabilities	317.2	227.4
Liabilities associated with assets held for sale	31.1	0.1
TOTAL EQUITY & LIABILITIES	**3,370.6**	**3,127.0**

10 (IV) / CASH FLOW STATEMENT

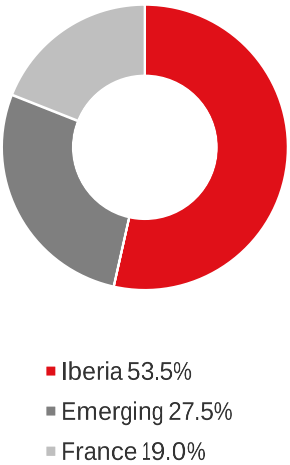
(EURm)	2013 (1)	2014 (2)
Adjusted EBITDA	581.4	585.3
Taxes paid	-103.0	-46.5
of which, Income taxes of the year	*-86.4*	*-76.6*
of which, Settlement of claims provisioned	*-16.6*	*30.2*
Net change in trade working capital	9.0	-162.7
Other payables & receivables	-23.1	9.0
(A) CASH-FLOW FROM CONTINOUS OPERATIONS	**464.2**	**385.2**
Financial investments / divestments	11.9	109.4
of which, Acquisition and disposal of shares	*-24.2*	*231.7*
of which, Other financial investment/divestments	*36.2*	*-122.3*
Capital expenditure	-361.8	-349.4
(B) CASH-FLOW FROM INVESTING ACTIVITIES	**-349.9**	**-240.0**
(A+B) OPERATING FREE CASH-FLOW	**114.4**	**145.1**
Equity issued	0.0	0.0
Dividend distribution	-83.9	-103.3
Shares buy-back	-45.7	-37.2
Change in FX and other	-6.4	112.9
(C) CASH-FLOW FROM FINANCIAL ACTIVITIES	**-136.0**	**-27.6**
Net debt beginning of the period	629.3	651.0
(A+B+C) CHANGE IN NET DEBT	**-21.7**	**117.5**
Net debt at the end of the period	**651.0**	**533.4**

(1) Figures with France, Turkey and Beijing activities re-expressed as discontinued

(2) Figures with France activities re-expressed as discontinued

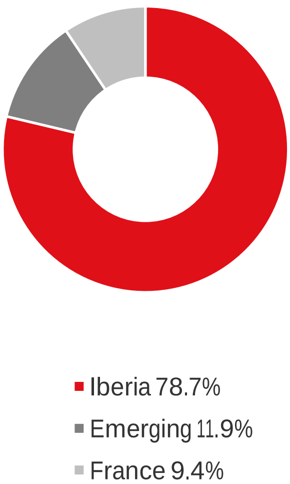
10 (V) / GROSS SALES & ADJUSTED EBITDA BY SEGMENT

2013
Gross sales under banner



2014
Gross sales under banner

2013
Adjusted EBITDA



2014
Adjusted EBITDA

/ 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 franchises.

/ LFL sales growth under banner: growth rate of gross sales under banner at constant currency of all DIA stores that have been operating for more than twelve months.

/ Adjusted EBITDA: operating profit after adding back restructuring 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 restructuring 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.

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