

# H1/2017

## Highlights

- / In H1 2017, gross sales grew by 4.1% to EUR5.13bn, up 1.9% ex-currency.
- / Consolidated LFL "ex-calendar" was 4.6% in Q2 2017, with 1.2% in Iberia and 10.7% in Emerging Markets.
- / Online sales in Spain grew 2.9x in H1 2017 to EUR26.2m.
- / Adjusted EBITDA increased by 3.3% in the first half of 2017 to EUR278.3m, up 1.7% ex-currency. The group's adjusted EBITDA margin remained stable during the period at 6.5%, in line with the 2017 outlook.
- / Operating profit (EBIT) increased by 4.0% in H1 2017 to EUR114.7m, with a 2.7% margin on net sales.
- / DIA continued with the rationalisation and renovation of stores in Spain, where the total number of stores fell by 91 versus last year.
- / Net debt at the end of June 2017 stood at EUR1.02bn (1.6x LTM adj EBITDA), EUR104m lower than a year ago.

## Comments by CEO Ricardo Currás

"The second quarter of 2017 confirms the solid operating performance of our group in Iberia and South America, with positive same-store sales growth in all our geographies. It has been a busy quarter in Spain, with a peak in June of over 120 upgrades of DIA Market, DIA Maxi and La Plaza stores, with encouraging results. The third quarter is expected to be busy as well to achieve the target of over 500 upgrades by the end of 2017. Brazil improved LFL volumes in the second quarter, with lower inflation, impacted by the ongoing challenging market conditions, while in Argentina DIA continued to achieve a remarkable and strong top-line growth rate. With this set of results, we are on track to meet all our 2017 targets."

## Financial Summary

(€m)	H1 2017	Change	Change (ex-FX)	(€m)	H1 2017	Change	Change (ex-FX)
<b>Gross sales u/banner</b>	<b>5,127</b>	<b>4.1%</b>	<b>1.9%</b>	<b>Net sales</b>	<b>4,288</b>	<b>3.4%</b>	<b>1.0%</b>
Iberia	3,243	-3.0%	-3.0%	<b>Adjusted EBITDA <sup>(2)</sup></b>	<b>278.3</b>	<b>3.3%</b>	<b>1.7%</b>
Emerging Markets	1,885	19.1%	12.1%	Adj. EBITDA margin	6.5%	0 bps	
<b>Like-for-like <sup>(1)</sup></b>			<b>4.3%</b>	<b>Adjusted EBIT <sup>(2)</sup></b>	<b>162.9</b>	<b>3.1%</b>	<b>2.2%</b>
Iberia			0.9%	Adj. EBIT margin	3.8%	- 1 bps	
Emerging Markets			10.4%	<b>Underlying net profit</b>	<b>106.0</b>	<b>4.3%</b>	<b>3.2%</b>

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

## Sales Performance

### Group

- / H1 2017 gross sales under banner increased by 4.1% (1.9% ex-currency) to EUR5.13bn. Comparable sales growth amounted to 4.3% (excluding a -0.7% calendar effect).
- / In Q2 2017, gross sales under banner grew by 1.7% (0.9% ex-currency) to EUR2.62bn, with LFL of 4.6% and a -1.2% calendar effect.

### Iberia

- / Q2 2017 gross sales under banner decreased by 4.1% to EUR1.67bn, with 1.2% comparable sales growth (excluding a -1.7% calendar effect) and a -2.7% space contraction. The negative calendar effect of Q2 2017 in Iberia is justified by the different seasonality of Easter holidays, which is mostly reflected in Spain.
- / In Spain, gross sales under banner declined by 3.6% in H1 2017 to EUR2.84bn, which is namely explained by the 3.0% decrease in store selling area and negative calendar effect in the period.
- / In Portugal, gross sales under banner rose by 1.5% in H1 2017 to EUR0.41bn, with a flat performance of commercial space in the period.
- / During Q2 2017, DIA speeded up the upgrade process in Iberia, reaching a total of 221 conversions (vs. 70 in Q1 2017) of DIA Market, DIA Maxi and La Plaza stores.

### Emerging Markets

- / In H1 2017, gross sales under banner increased by 19.1% to EUR1.88bn, with a 7.0% positive currency impact (a 19.6% appreciation of the Brazilian Real in the first half of 2017). Same-store sales grew by 10.4% in the period, with a -0.2% calendar effect.
- / Q2 2017 gross sales increased by 13.6% to EUR0.95bn, with 10.7% comparable sales and a -0.3% calendar effect.
- / Like-for-like sales growth continued to reflect the slowdown in food inflation (getting close to zero in Brazil by the end of Q2 2017). Despite this factor, comparable sales growth rates remained stable in Argentina and improved in Brazil during the second quarter of 2017.
- / Low-single-digit contribution of new space in the period, still impacted by the closure of 38 Cada DIA stores in Argentina at the end of 2016 and the temporary closure of some stores in the area of Buenos Aires that has been already reversed.
- / Gross sales in Brazil amounted to EUR1.0bn in the first half of 2017, 22% higher than in the same period last year. In Argentina, gross sales grew by 15.7% to EUR0.88bn in the same period.

## Gross Sales under Banner

(€m)	H1 2017	%	Change	FX effect	Change (ex-FX)
Spain	2,833.9	55.3%	-3.6%	0.0%	-3.6%
Portugal	408.7	8.0%	1.5%	0.0%	1.5%
<b>IBERIA</b>	<b>3,242.6</b>	<b>63.2%</b>	<b>-3.0%</b>	<b>0.0%</b>	<b>-3.0%</b>
Argentina	880.3	17.2%	15.7%	-7.2%	22.9%
Brazil	1,004.5	19.6%	22.2%	20.0%	2.2%
<b>EMERGING MARKETS</b>	<b>1,884.8</b>	<b>36.8%</b>	<b>19.1%</b>	<b>7.0%</b>	<b>12.1%</b>
<b>TOTAL DIA</b>	<b>5,127.4</b>	<b>100.0%</b>	<b>4.1%</b>	<b>2.2%</b>	<b>1.9%</b>

## Net Sales

(€m)	H1 2017	%	Change	FX effect	Change (ex-FX)
Spain	2,391.0	55.8%	-4.5%	0.0%	-4.5%
Portugal	326.4	7.6%	0.7%	0.0%	0.7%
<b>IBERIA</b>	<b>2,717.4</b>	<b>63.4%</b>	<b>-3.9%</b>	<b>0.0%</b>	<b>-3.9%</b>
Argentina	701.3	16.4%	15.6%	-7.2%	22.8%
Brazil	868.8	20.3%	21.6%	19.9%	1.7%
<b>EMERGING MARKETS</b>	<b>1,570.2</b>	<b>36.6%</b>	<b>18.9%</b>	<b>7.5%</b>	<b>11.4%</b>
<b>TOTAL DIA</b>	<b>4,287.6</b>	<b>100.0%</b>	<b>3.4%</b>	<b>2.4%</b>	<b>1.0%</b>

## Q2 2017 Results

### Net sales

- / In Q2 2017, net sales increased by 0.8% to EUR2.2bn. Exchange rates had a 0.9% positive impact in this period.

### Operating Results

- / Adjusted EBITDA rose by 2.6% to EUR155.3m, 1.5% growth ex-currency.
- / The adjusted EBITDA margin remained stable in the quarter, up by 13 bps.
- / Depreciation and amortization decreased by 0.6% to EUR57.6m (2.0% ex-currency), which reflects a 1.4% positive currency effect.
- / Adjusted EBIT rose by 4.7% to EUR97.7m, with a 1.0% positive effect from currencies.
- / Non-recurring items amounted to EUR35.7m in the quarter, while non-recurring cash items declined by 3.8% in the period to EUR20.8m, which compares with the 21.9% increase published in Q1 2017. Other non-recurring items almost tripled in Q2 2017 due to the asset write-offs related to the closure of stores in Spain.
- / EBIT climbed by 1.0% in the second quarter of 2017 to EUR61.9m (-0.4% ex-currency).

### Profits

- / Despite the higher volume of non-recurring items held during the period, net profit from continuing operations was almost flat in Q2 2017, with a small 0.4% increase to EUR38.0m.
- / Underlying net profit rose by 11.3% to EUR67.0m, up 9.9% ex-currency.

## Q2 2017 Results Summary

(€m)	Q2 2017	%	Change	FX effect	Change (ex-FX)
<b>Net sales</b>	<b>2,191.6</b>	<b>100.0%</b>	<b>0.8%</b>	<b>0.9%</b>	<b>-0.1%</b>
<b>Adjusted EBITDA <sup>(1)</sup></b>	<b>155.3</b>	<b>7.1%</b>	<b>2.6%</b>	<b>1.2%</b>	<b>1.5%</b>
D&A	-57.6	-2.6%	-0.6%	1.4%	-2.0%
<b>Adjusted EBIT <sup>(1)</sup></b>	<b>97.7</b>	<b>4.5%</b>	<b>4.7%</b>	<b>1.0%</b>	<b>3.7%</b>
Non-Recurring items	-35.7	-1.6%	11.7%	0.2%	11.6%
Non-Recurring cash items	-20.8	-0.9%	-3.8%		
Long-Term Incentive Plans	-4.0	-0.2%	-45.9%		
Impairment and G/L in asset disposals	-10.9	-0.5%	275.9%		
<b>EBIT</b>	<b>61.9</b>	<b>2.8%</b>	<b>1.0%</b>	<b>1.4%</b>	<b>-0.4%</b>
Net profit from continuing operations	38.0	1.7%	0.4%	1.9%	-1.5%
<b>Underlying net profit</b>	<b>67.0</b>	<b>3.1%</b>	<b>11.3%</b>	<b>1.4%</b>	<b>9.9%</b>

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(1) Adjusted by non-recurring items

# H1 2017 Results

## Net sales

- / In H1 2017, net sales increased by 3.4% to EUR4.3bn. The currency appreciation had a positive impact of 2.4% on net sales growth in the semester.

## Operating Results

- / Adjusted EBITDA rose by 3.3% to EUR278.3m, 1.7% growth ex-currency.
- / The adjusted EBITDA margin was flat in the first half of 2017 at 6.5%, despite the expansion of adjusted EBITDA margins reflected in Iberia and emerging markets during the period (12 bps and 45 bps respectively). This flat margin performance is entirely explained by the higher relative contribution of emerging markets, which posts a lower margin than Iberia.
- / Depreciation and amortization increased by 3.6% in Euros to EUR115.4m, and rose by 1.0% ex-currency, which reveals a 2.7% currency effect and the impact from higher depreciation in emerging markets.
- / Adjusted EBIT grew by 3.1% to EUR162.9m, up 2.2% ex-currency.
- / Non-recurring items increased by 1.0% in the first half of 2017 to EUR48.2m. Thanks to the decline in non-recurring cash items in the second quarter, the increase in H1 2017 was only 4.8%, to EUR33.6m. Conversely, non-recurring 'non-cash' items related with impairment and gains and losses on the disposal of assets surged by 129% to EUR13.3m in the first half of 2017 (linked to the network rationalisation process).
- / EBIT rose by 4.0% in the first half of 2017 to EUR114.7m (2.9% ex-currency).

## Profits

- / Net profit from continuing operations declined by 4.0% to EUR63.7m, due to the 13% higher financial expenses (linked with emerging markets), and the 20% rise in corporate taxes due to the increase in the effective tax rate from 20.3% to 24.2%.
- / Underlying net profit climbed by 4.3% to EUR106.0m, up 3.2% ex-currency.

## H1 2017 Results Summary

(€m)	H1 2017	%	Change	FX effect	Change (ex-FX)
<b>Net sales</b>	<b>4,287.6</b>	<b>100.0%</b>	<b>3.4%</b>	<b>2.4%</b>	<b>1.0%</b>
<b>Adjusted EBITDA <sup>(1)</sup></b>	<b>278.3</b>	<b>6.5%</b>	<b>3.3%</b>	<b>1.7%</b>	<b>1.7%</b>
D&A	-115.4	-2.7%	3.6%	2.7%	1.0%
<b>Adjusted EBIT <sup>(1)</sup></b>	<b>162.9</b>	<b>3.8%</b>	<b>3.1%</b>	<b>0.9%</b>	<b>2.2%</b>
Non-Recurring items	-48.2	-1.1%	1.0%	0.5%	0.5%
Non-Recurring cash items	-33.6	-0.8%	4.8%		
Long-Term Incentive Plans	-1.3	0.0%	-86.7%		
Impairment and G/L in asset disposals	-13.3	-0.3%	129.1%		
<b>EBIT</b>	<b>114.7</b>	<b>2.7%</b>	<b>4.0%</b>	<b>1.1%</b>	<b>2.9%</b>
Net profit from continuing operations	63.7	1.5%	-4.0%	1.2%	-5.2%
<b>Underlying net profit</b>	<b>106.0</b>	<b>2.5%</b>	<b>4.3%</b>	<b>1.0%</b>	<b>3.2%</b>

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(1) Adjusted by non-recurring items

## H1 2017 Underlying Net Profit

(€m)	H1 2016	H1 2017	INC	FX effect	INC w/o FX
Net attributable profit	59.8	54.0	-9.7%	1.7%	-11.4%
Non-recurring items	47.8	48.2	1.0%	0.5%	0.5%
Other financials	1.1	5.1			
Taxes	-13.6	-11.1			
Discontinuing operations	6.6	9.7			
<b>UNDERLYING NET PROFIT</b>	<b>101.7</b>	<b>106.0</b>	<b>4.3%</b>	<b>1.0%</b>	<b>3.2%</b>

## Treasury Stock & EPS

(€)	H1 2016	H1 2017	INC
Number of shares outstanding	622,456,513	622,456,513	0.0%
Average number of treasury shares	7,802,400	10,762,473	37.9%
End of period number of treasury shares	8,222,043	10,383,860	26.3%
Weighted average number of shares	614,654,113	611,694,040	-0.5%
<b>EPS</b>	<b>0.097</b>	<b>0.088</b>	<b>-9.3%</b>
<b>Underlying EPS</b>	<b>0.165</b>	<b>0.173</b>	<b>4.8%</b>

/ At constant currencies, underlying EPS would have increased by 3.7% in H1 2017 to EUR0.172 (1.1% positive currency effect).



## Review by segment

### Iberia

- / Net sales fell by 5.0% in Q2 2017 to EUR1.40bn, a decline that is mostly due to: 1) 3.0% reduction of store selling area in Spain driven by the closure of several El Arbol and Dia stores in Spain; 2) the temporary closures of high volume of stores to complete the upgrading plan; and 3) the very negative impact of calendar effect in Spain. In the first half of 2017, net sales slid by 3.9% to EUR2.72bn.
- / Adjusted EBITDA was down by 4.0% in Q2 2017 to EUR123.6m, broadly in line with net sales. In the first half of 2017, it declined by 2.4% to EUR224.3m. The adjusted EBITDA margin increased by 9 bps in Q2 2017 to 8.8% and by 12 bps in the first half of 2017 to 8.3% thanks to the impact of store rationalisation.
- / In Q2 2017, D&A declined by 8.9% in Iberia to EUR42.2m, while in H1 2017 it went down by 6.0% to EUR84.3m. This reduction in D&A is related to the growing volume of assets fully depreciated but still in perfect operating condition.
- / Adjusted EBIT declined by 1.2% in Q2 2017 to EUR81.5m, reflecting a 22 bps increase in the margin over net sales to 5.8%. In the first half of 2017, adjusted EBIT was almost the same as in H1 2016, at EUR140.0m (-0.1%). With these figures, adjusted EBIT margin improved by 19 bps in this period to 5.2%.

(€m)	Q2 2017	Change
Net sales	1,398.4	-5.0%
Adjusted EBITDA <sup>(1)</sup>	123.6	-4.0%
Adjusted EBITDA margin	8.8%	9 bps
D&A	-42.2	-8.9%
Adjusted EBIT <sup>(1)</sup>	81.5	-1.2%
Adjusted EBIT margin	5.8%	22 bps
(€m)	H1 2017	Change
Net sales	2,717.4	-3.9%
Adjusted EBITDA <sup>(1)</sup>	224.3	-2.4%
Adjusted EBITDA margin	8.3%	12 bps
D&A	-84.3	-6.0%
Adjusted EBIT <sup>(1)</sup>	140.0	-0.1%
Adjusted EBIT margin	5.2%	19 bps

(1) Adjusted by non-recurring items

## Emerging Markets

- / In Q2 2017, net sales in Emerging Markets rose by 12.9% to EUR0.79bn, 10.1% ex-currency. The appreciation of the Brazilian Real in the quarter (16.4%) translated into a 2.8% positive effect on net sales growth in Euros in the quarter. In the first half, net sales rose by 18.9% in Euros to EUR1.57bn, and this growth was 7.5% supported by the average appreciation of currencies.
- / Adjusted EBITDA climbed by 40.4% in Q2 2017 to EUR31.7m (32.6% ex-currency), totaling EUR54.0m during the first half of the year, up 36.8%. The adjusted EBITDA margin, at 4.0% of net sales in Q2 2017, increased by 78 bps versus Q2 2016 and by 45 bps in the first half to 3.4% thanks to: 1) a lower volume of openings in the first half of the year; 2) an excellent operational and cost performance; 3) enhanced purchasing conditions; and 4) the improving profitability of new regions in Brazil.
- / D&A rose by 32.3% in Q2 2017 to EUR15.4m (25.3% ex-currency), totaling EUR31.1m of D&A in the first half (30.1% higher ex-currency). This increase in D&A is attributable to the higher level of investment in the region in recent years.
- / In Q2 2017, adjusted EBIT soared by 49.1% to EUR16.2m (40.5% ex-currency), for an accumulated EUR22.9m of adjusted EBIT in the first half (28.1% higher in Euros, 19.9% up in local currency). This performance boosted the adjusted EBIT margin by 50bps in Q2 2017 to 2.0% and by 11bps in the first half of 2017 to 1.5%.

(€m)	Q2 2017	Change	Change (ex-FX)
Net sales	793.2	12.9%	10.1%
Adjusted EBITDA <sup>(1)</sup>	31.7	40.4%	32.6%
Adjusted EBITDA margin	4.0%	78 bps	
D&A	-15.4	32.3%	25.3%
Adjusted EBIT <sup>(1)</sup>	16.2	49.1%	40.5%
Adjusted EBIT margin	2.0%	50 bps	
(€m)	H1 2017	Change	Change (ex-FX)
Net sales	1,570.2	18.9%	11.4%
Adjusted EBITDA <sup>(1)</sup>	54.0	36.8%	25.5%
Adjusted EBITDA margin	3.4%	45 bps	
D&A	-31.1	43.9%	30.1%
Adjusted EBIT <sup>(1)</sup>	22.9	28.1%	19.9%
Adjusted EBIT margin	1.5%	11 bps	

(1) Adjusted by non-recurring items

## Working Capital, Investment, and Debt

### Trade Working Capital

- / DIA's negative trade working capital increased in EUR47.2m at the end of June 2017 versus the same period last year (from EUR695.9m to EUR743.1m), implying a 6.8% increase in Euros and 9.6% excluding the impact of currencies.
- / Inventories were EUR34m higher than in H1 2016 (up 5.5%, 8.8% higher ex-currency). The value of stock was higher due to the expansion of the assortment, the company's effort to reduce its out-of-stock ratio, and the impact of new regions opened in Brazil.
- / Trade and other receivables rose by 6.0% in H1 2017 (7.8% at constant currency). This EUR19.5m peak in debtors is namely due to the expansion of the franchised activity quarter on quarter.
- / The value of trade and other payables climbed by EUR100.7m from EUR1.64bn to EUR1.74bn (6.2% up, 8.9% higher at constant currency). Almost half of this increase in trade payables is attributable to the higher value of non-recourse factoring from receivables from our suppliers. At the end of June 2017, it amounted to EUR101.6m, EUR44.6m higher than in the same period last year.

(€m)	30 June 2017	Change	Change (ex-FX)
Inventories (A)	647.8	5.5%	8.8%
Trade & other receivables (B)	345.5	6.0%	7.8%
Trade & other payables (C)	1,736.4	6.2%	8.9%
<b>Trade Working Capital <sup>(1)</sup></b>	<b>-743.1</b>	<b>6.8%</b>	<b>9.6%</b>

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

## Capex

- / DIA invested EUR144.4m in the first half of 2017, 19.8% less than in the same period last year.
- / In Iberia, capital expenditure declined by 39.6% to EUR88.6m. We continue to improve our different formats (Dia Market, Dia Maxi, and La Plaza banners) but at a lower intensity and with less expenditure than last year.
- / In Emerging Markets, investment increased by 67% in Euros to EUR55.8m, implying 54% growth ex-currency.

(€m)	H1 2017	%	Change	Change (ex-FX)
Iberia	88.6	61.3%	-39.6%	-39.6%
Emerging markets	55.8	38.7%	67.4%	53.9%
<b>TOTAL Capex</b>	<b>144.4</b>	<b>100.0%</b>	<b>-19.8%</b>	<b>-22.3%</b>

## Net Debt

- / Net debt at the end of June 2017 amounted to EUR1,02bn, which is EUR104m lower than in the same period last year. The increase in net debt versus the end of 2016 is in line with previous years and is due to the seasonality of the business.
- / As of June 2017, the ratio of net debt over the last twelve months' adjusted EBITDA was 1.6x, which compares with 1.8x in the same period last year.

(€m)	30 June 2016	31 December 2016	30 June 2017
Net debt	1,123.6	878.3	1,019.9
Net debt / LTM adj. EBITDA	1.8x	1.4x	1.6x

## Cash Flow Statement

(€m)	H1 2016	H1 2017
Adjusted EBITDA	269.4	278.3
Taxes paid	32.8	-4.5
Net change in trade working capital	-11.8	-249.0
Other payables & receivables	-41.6	-47.0
<b>(A) CASH FLOW FROM CONTINUOUS OPERATIONS</b>	<b>248.8</b>	<b>-22.2</b>
Financial investments/divestments	-2.5	20.0
Acquisition and disposal of shares	0.0	0.0
Other financial investments/divestments	-2.5	20.0
Divestment of assets	1.6	5.7
Capital expenditure	-180.1	-144.4
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-181.0</b>	<b>-118.6</b>
<b>(A+B) OPERATING FREE CASH FLOW</b>	<b>67.8</b>	<b>-140.8</b>
Equity issued	0.0	0.0
Financial results	-26.7	-30.2
Dividend paid	0.0	0.0
Share buy-backs	-4.0	-5.7
Change in FX and other	-28.2	35.1
<b>(C) CASH FLOW FROM FINANCIAL ACTIVITIES</b>	<b>-59.0</b>	<b>-0.8</b>
Net debt at the beginning of the period	1,132.4	878.3
<b>(A+B+C) CHANGE IN NET DEBT</b>	<b>8.8</b>	<b>-141.6</b>
<b>Net debt at the end of the period</b>	<b>1,123.6</b>	<b>1,019.9</b>

## H1 2017 Results

(€m)	H1 2017	%	INC	FX effect	INC w/o FX
<b>Net sales</b>	<b>4,287.6</b>	<b>100.0%</b>	<b>3.4%</b>	<b>2.4%</b>	<b>1.0%</b>
Cost of sales & other income	-3,290.4	-76.7%	2.9%	2.6%	0.3%
<b>Gross profit</b>	<b>997.1</b>	<b>23.3%</b>	<b>5.0%</b>	<b>1.7%</b>	<b>3.3%</b>
Labour costs	-394.0	-9.2%	3.5%	1.2%	2.3%
Other operating expenses	-169.0	-3.9%	8.5%	2.4%	6.1%
Real estate rents	-155.8	-3.6%	8.3%	2.0%	6.2%
<b>Adjusted EBITDA <sup>(1)</sup></b>	<b>278.3</b>	<b>6.5%</b>	<b>3.3%</b>	<b>1.7%</b>	<b>1.7%</b>
D&A	-115.4	-2.7%	3.6%	2.7%	1.0%
<b>Adjusted EBIT <sup>(1)</sup></b>	<b>162.9</b>	<b>3.8%</b>	<b>3.1%</b>	<b>0.9%</b>	<b>2.2%</b>
Non-recurring items	-48.2	-1.1%	1.0%	0.5%	0.5%
Non-recurring cash items	-33.6	-0.8%	4.8%		
Long-Term Incentive Plans	-1.3	0.0%	-86.7%		
Impairment and G/L in asset disposals	-13.3	-0.3%	129.1%		
<b>EBIT</b>	<b>114.7</b>	<b>2.7%</b>	<b>4.0%</b>	<b>1.1%</b>	<b>2.9%</b>
Net financial income/expenses	-30.2	-0.7%	13.0%	0.3%	12.7%
<b>EBT</b>	<b>84.1</b>	<b>2.0%</b>	<b>1.0%</b>	<b>1.4%</b>	<b>-0.4%</b>
Income taxes	-20.4	-0.5%	20.2%	2.1%	18.2%
<b>Consolidated profit</b>	<b>63.7</b>	<b>1.5%</b>	<b>-4.0%</b>	<b>1.2%</b>	<b>-5.2%</b>
Minorities & discontinuing operations	-9.8	-0.2%			
<b>Net attributable profit</b>	<b>54.0</b>	<b>1.3%</b>	<b>-9.7%</b>	<b>1.7%</b>	<b>-11.4%</b>
<b>Underlying net profit</b>	<b>106.0</b>	<b>2.5%</b>	<b>4.3%</b>	<b>1.0%</b>	<b>3.2%</b>

## Balance Sheet

(€m)	30 June 2016	30 June 2017
Non-current assets	2,446.3	2,447.4
Inventories	624.1	647.8
Trade & Other receivables	333.3	345.5
Other current assets	98.7	99.6
Cash & Cash equivalents	219.2	204.7
Non-current assets held for sale	0.0	41.8
<b>TOTAL ASSETS</b>	<b>3,721.6</b>	<b>3,786.8</b>
Total equity	279.7	294.9
Long-term debt	968.6	942.7
Short-term debt	374.1	281.9
Trade & Other payables	1,681.9	1,736.4
Provisions & Other current liabilities	417.2	471.7
Liabilities associated with assets held for sale	0.0	59.2
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>3,721.6</b>	<b>3,786.8</b>

## Store Count

- / At the end of June 2017, DIA operated a total of 7,415 stores. Adjusted for DIA China, this is 41 more stores than in the same period last year, totaling 17 net openings in Q2 2017.
- / In Iberia, the number of stores decreased by 4 in Q2 2017 to 5,466, which implies 94 stores less despite 180 gross openings in the period (103 DIA, 72 Clarel, and 5 La Plaza stores). The decline in net figures is explained by the transformation program carried out in El Arbol stores and the shutdown in Spain of some underperforming Cada DIA stores.
- / The number of supermarkets decreased from 395 to 333 over the last year; although this transformation process is almost over now (only 14 El Arbol stores were converted in H1 2017).
- / DIA converted 291 stores into the new versions in Iberia in H1 2017 (of which 221 in Q2 2017), in line with company's plans.
- / Clarel continued its dynamic expansion with an increase of 61 stores over the last twelve months (36 in H1 2017), reaching a total of 1,269 stores at the end of June 2017. This format continues to add new partners, reaching a total of 125 stores operated by franchisees by the end of June 2017, 48 more than a year ago. Franchised Clarel stores represent 9.9% of this format.
- / In emerging markets, DIA operated 1,949 stores at the end of June 2017, 135 more than in the same period last year, and 21 more than last quarter. This number of openings in emerging markets was impacted by the closure of 38 Cada DIA stores in Argentina carried out in the second half of 2016.
- / Over the last twelve months, the number of Dia banner stores operated under franchised models in Iberia increased by 40, totaling 2,298 stores, which represents 59.5% of the banner. In the emerging markets, the number of stores franchised increased by 55 during this period, reaching a total of 1,229 stores, representing 63.1% of the total (66.2% in Argentina and 60.4% in Brazil).

## Stores by country and operational model as of 30 June 2017

	<b>COCO</b>	<b>Franchise</b>	<b>Total DIA</b>	<b>LTM change</b>
Spain	2,692	2,160	4,852	-91
Portugal	351	263	614	-3
<b>IBERIA</b>	<b>3,043</b>	<b>2,423</b>	<b>5,466</b>	<b>-94</b>
Dia	1,566	2,298	3,864	-93
Clarel	1,144	125	1,269	61
El Arbol / La Plaza	333	0	333	-62
Argentina	299	586	885	15 <sup>(1)</sup>
Brazil	421	643	1,064	120
<b>EMERGING MARKETS</b>	<b>720</b>	<b>1,229</b>	<b>1,949</b>	<b>135</b>
<b>TOTAL DIA</b>	<b>3,763</b>	<b>3,652</b>	<b>7,415</b>	<b>41</b>

(1) A total of 38 low sales Cada DIA stores were closed in H2 2016. Adjusted by the exceptional issue, the accumulated volume of net openings in the last twelve months would have been 53.



## Number of Stores

30 June 2016

30 June 2017

IBERIA	COCO	Franchise	Total	%	COCO	Franchise	Total	%	LTM change	Q2 2017 change
Dia Market	1,017	1,868	2,885	51.9%	903	1,941	2,844	52.0%	-41	2
Cada Dia / Mais Perto	0	299	299	5.4%	0	253	253	4.6%	-46	3
Dia Market	1,017	2,167	3,184	57.3%	903	2,194	3,097	56.7%	-87	5
Dia Maxi	682	91	773	13.9%	663	104	767	14.0%	-6	-4
Dia banner stores	1,699	2,258	3,957	71.2%	1,566	2,298	3,864	70.7%	-93	1
% of Dia banner	42.9%	57.1%	100%		40.5%	59.5%	100%			
El Arbol / La Plaza	395	0	395	7.1%	333	0	333	6.1%	-62	-17
Clarel	1,131	77	1,208	21.7%	1,144	125	1,269	23.2%	61	12
<b>Total IBERIA stores</b>	<b>3,225</b>	<b>2,335</b>	<b>5,560</b>	<b>100%</b>	<b>3,043</b>	<b>2,423</b>	<b>5,466</b>	<b>100%</b>	<b>-94</b>	<b>-4</b>
% of stores	58.0%	42.0%	100%		55.7%	44.3%	100%			

EMERGING MARKETS	COCO	Franchise	Total	%	COCO	Franchise	Total	%	LTM change	Q2 2017 change
Dia Market	475	940	1,415	78.0%	408	1,014	1,422	73.0%	7	-28
Cada Dia / Mais Perto	0	180	180	9.9%	0	165	165	8.5%	-15	21
Dia Market	475	1,120	1,595	87.9%	408	1,179	1,587	81.4%	-8	-7
Dia Maxi	165	54	219	12.1%	312	50	362	18.6%	143	28
<b>Total EM stores</b>	<b>640</b>	<b>1,174</b>	<b>1,814</b>	<b>100%</b>	<b>720</b>	<b>1,229</b>	<b>1,949</b>	<b>100%</b>	<b>135</b>	<b>21</b>
% of stores	35.3%	64.7%	100%		36.9%	63.1%	100%			

TOTAL DIA	COCO	Franchise	Total	%	COCO	Franchise	Total	%	LTM change	Q2 2017 change
Dia Market	1,492	2,808	4,300	58.3%	1,311	2,955	4,266	57.5%	-34	-26
Cada Dia / Mais Perto	0	479	479	6.5%	0	418	418	5.6%	-61	24
Dia Market	1,492	3,287	4,779	64.8%	1,311	3,373	4,684	63.2%	-95	-2
Dia Maxi	847	145	992	13.5%	975	154	1,129	15.2%	137	24
Dia banner stores	2,339	3,432	5,771	78.3%	2,286	3,527	5,813	78.4%	42	22
% of Dia banner	40.5%	59.5%	100%		39.3%	60.7%	100%			
El Arbol / La Plaza	395	0	395	5.4%	333	0	333	4.5%	-62	-17
Clarel	1,131	77	1,208	16.4%	1,144	125	1,269	17.1%	61	12
<b>TOTAL DIA stores</b>	<b>3,865</b>	<b>3,509</b>	<b>7,374</b>	<b>100%</b>	<b>3,763</b>	<b>3,652</b>	<b>7,415</b>	<b>100%</b>	<b>41</b>	<b>17</b>
% stores	52.4%	47.6%	100%		50.7%	49.3%	100%			

## Outlook

- / The contraction of store selling area in Spain is due to ease in the second half of 2017.
- / The low inflation rates in emerging markets are expected to continue over the coming months.
- / After completing the first half of the year, DIA is on track to meet all the targets set for 2017.

## Events Following the Close of the Period

- / On 24 July, DIA paid EUR4.6m to bondholders in the third coupon related with the Euro note issued in July 2014.
- / On 18 July, in accordance with the resolution passed by the Annual General Shareholders' Meeting held on 28 April 2017, the Company paid out a gross dividend, with a charge to the Company's results in fiscal year 2016, of EUR0.21 per share.
- / On 11 July, DIA launched NEXUS BY DIA, a digital platform for innovation and talent search worldwide ([www.nexusbydia.com](http://www.nexusbydia.com)).

## Corporate Calendar

<b>Event</b>	<b>Date</b>	<b>Status</b>
9M 2017 earnings release	Thursday 26 October 2017	Confirmed

## Change in Currency Rates

Period	€ / Argentinean Peso	€ / Brazilian Real
Q1 2016 average	0.0629	0.2329
Q1 2017 average	0.0599	0.2987
<b>Q1 2017 change <sup>(1)</sup></b>	<b>-4.8%</b>	<b>28.2%</b>
Q2 2016 average	0.0626	0.2431
Q2 2017 average	0.0578	0.2829
<b>Q2 2017 change <sup>(1)</sup></b>	<b>-7.6%</b>	<b>16.4%</b>
H1 2016 average	0.0626	0.2430
H1 2017 average	0.0589	0.2908
<b>H1 2017 change <sup>(1)</sup></b>	<b>-6.0%</b>	<b>19.6%</b>

(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.

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