



Distribuidora Internacional de Alimentación, S.A. (“**DIA**” o la “**Sociedad**”), en cumplimiento de lo previsto en el artículo 82 de la Ley 24/1988 de 28 de julio, del Mercado de Valores, hace público el siguiente:

HECHO RELEVANTE

Como continuación al hecho relevante con número de registro 251888 remitido por la Sociedad con fecha 11 de mayo de 2017, en el que la Sociedad publicaba sus resultados relativos al primer trimestre de 2017 y confirmaba la convocatoria del evento “3rd Capital Markets Day”, se adjunta a continuación la documentación que se presentará hoy durante la sesión, la cual se encuentra asimismo disponible en la página web de la Sociedad www.diacorporate.com y en la que se incluye, entre otra, la siguiente información:

1. Crecimiento orgánico continuado en mercados emergentes:
 - a. Brasil: más de 1.500 tiendas antes del cierre del año 2020.
 - b. Argentina: más de 1.100 tiendas antes del cierre del año 2020.
2. Se espera que la cifra de ventas realizadas a través del canal “online” en España se multiplique por 6 en 2020 alcanzando los 120M€.
3. Inversiones (CAPEX): ratio estimado de inversiones sobre ventas netas entre el 3,5% y el 4,0% durante el periodo 2017-2020.
4. La Sociedad reitera sus objetivos para el periodo 2016-2018:
 - a. 750M€ de generación acumulada de Caja de Operaciones.
 - b. 7% de crecimiento TACC orgánico de las ventas brutas bajo enseña (a divisa constante).
5. La Sociedad reitera sus perspectivas financieras para 2017:
 - a. Tasa de crecimiento entorno a medio dígito simple de las ventas brutas bajo enseña en moneda local.
 - b. Crecimiento del EBITDA Ajustado y estabilidad del margen en 2017.
 - c. Los CAPEX continuarán decreciendo en 2017.

En Las Rozas de Madrid, a 21 de junio de 2017.

DISTRIBUIDORA INTERNACIONAL DE ALIMENTACIÓN, S.A.

D. Miguel Ángel Iglesias Peinado
Vicesecretario del Consejo de Administración

DIA

| 3

rd

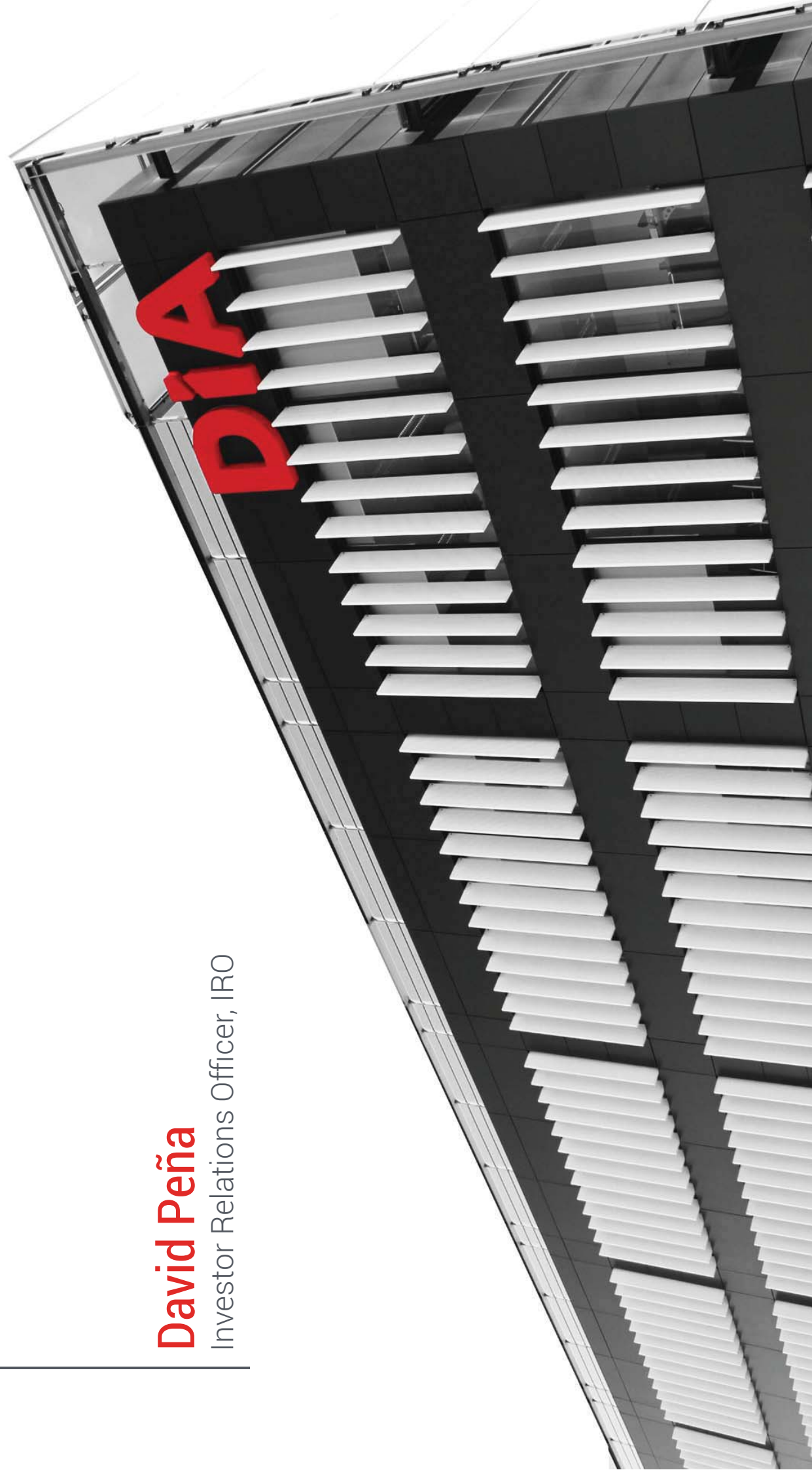
CAPITAL

MARKETS DAY

2017 LONDON

David Peña

Investor Relations Officer, IRO



Agenda

09:00H OPENING SESSION
Richard Golding (First Vice-chairman of DIA's BOD)

09:30H FOCUS ON CUSTOMER
Ricardo Currás (Chief Executive Officer, CEO)
Miguel Guinea (Country Manager DIA Portugal)
Jürgen Dietz (Regional Director)
Eric Marot (Logistic & Supply Director Spain)
Raquel Beneitez (Corporate Development Director)

≈11:00H COFFEE BREAK

11:20H LISTENING CHANNELS
DIGITAL ECOSYSTEM
DIA APP FOR CLIENTS
CLOSING REMARKS

José Antonio Lombardía (Chief Marketing Officer, CMO)
Juan Pedro Agustín (Head of Digital)
Leonardo Tolosa (Customer APP Director)
Ricardo Currás (Chief Executive Officer, CEO)

≈12:30H LUNCH

13:30H FINANCIAL SECTION
Amando Sánchez (Chief Corporate Officer, CCO)

≈14:00H Q&A

14:50H CLOSING SESSION AND FAREWELL

CMD significant event

- Dynamic organic growth in Emerging Markets:
 - a. Brazil: over 1,500 stores by 2020
 - b. Argentina: more than 1,100 stores by 2020
- On-line sales are expected to grow by 6 times to more than EUR120m by 2020
- Capex expected to go down to the range of 3.5% - 4.0% over net sales
- The Company reiterates its 2016-2018 targets
- The Company reiterates its 2017 Financial Outlook

DIA

| **3**

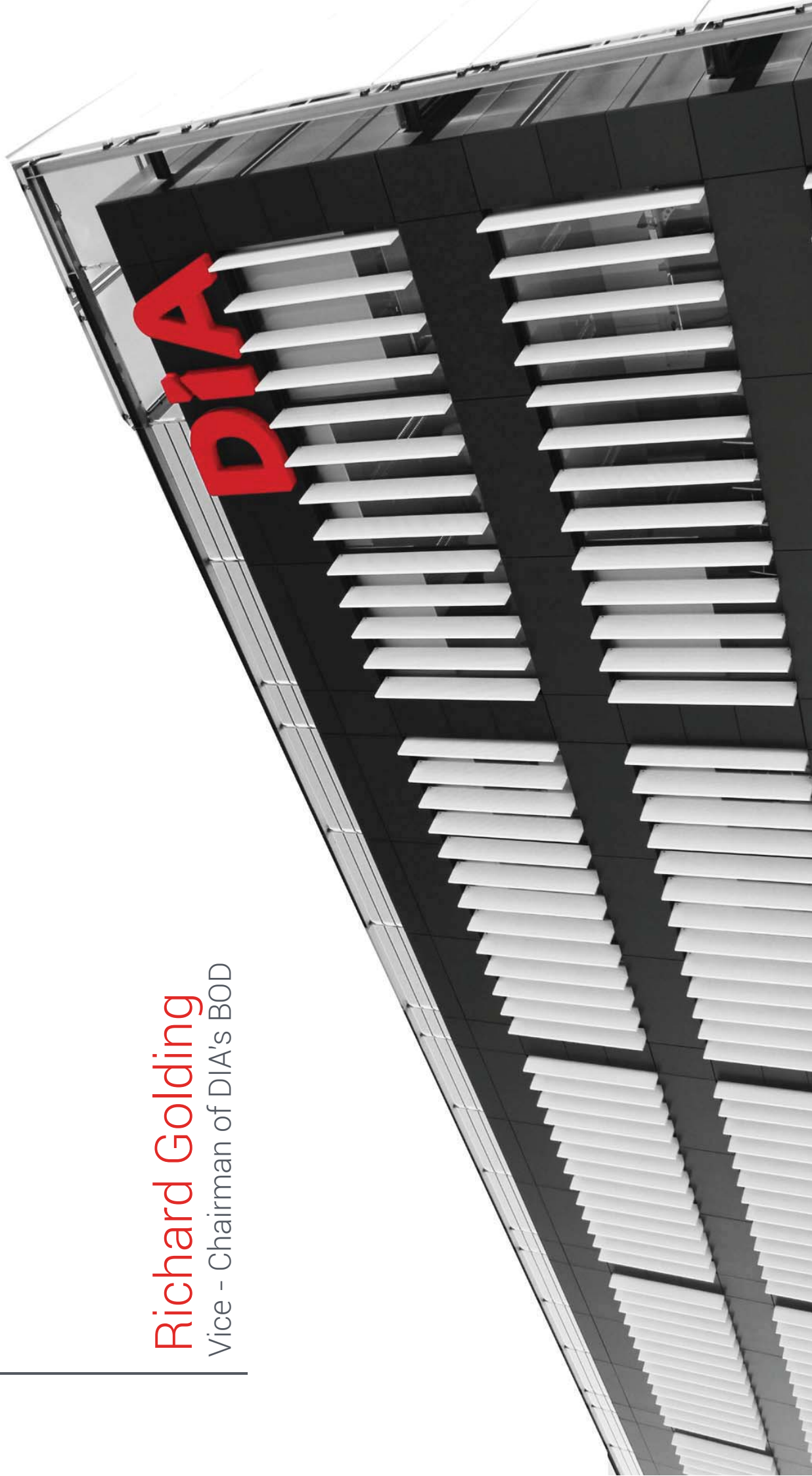
rd

CAPITAL

MARKETS DAY

2017 LONDON

Richard Golding
Vice - Chairman of DIA's BOD





DIA

1

BOARD OF DIRECTORS (I)

A diverse, international, independent and experimented Board



Ana María Llopis

DIA Non Exec Chairwoman (2011)
SocGen Non Exec Board
Former CEO Openbank



Richard Golding

DIA First Vice Chairman (2017)
Member of DIA ACC (2011)
Former CEO at Parques Reunidos



Mariano Martín

DIA Second Vice Chairman (2017)
Chairman of DIA ARC (2015)
Former P&G Sales President



Julian Díaz

Chairman of DIA ACC (2011-2016)
Member of DIA ACC (2016)
CEO at Dufry



Antonio Urcelay

Member of DIA ARC (2015)
Non Exec Board Pascual
Former CEO at Toys R Us



Juan María Nin

Member of DIA ACC (2015)
SocGen Non Exec Board
Former CEO Caixabank and Banco Sabadell



Angela Spindler

Member of DIA ARC (2016)
CEO at N Brown
Career at Coca Cola, Asda and Debenhams



Borja de la Cierva

Chair of DIA ACC (2017)
Former CFO at Inditex and Corte Inglés Purchase Manager



María Garaña

Member of DIA ACC (2016)
Vice President for EMEA of Microsoft Business Solutions



Ricardo Currás

CEO at DIA (2011)
31 years of career in DIA
Former Member of Carrefour Exec Committee

2

BOARD OF DIRECTORS (II)

A diverse, international, independent and experimented Board

Relevant features

- / Separation of CEO and Chairwoman role
- / Majority of independent directors
- / 30% of directors are women
- / 12 years maximum term
- / Limited number of other BoD (6)
- / Effective evaluation and succession plan processes
- / New skills added on Digital and Finance

3

DIA'S REMUNERATION POLICY

Principles

- / Prudence through moderate remuneration aligned with market practices
- / Commitment to reward quality, dedication and responsibility
- / Alignment with performance and competitive regarding external and internal environment

Remuneration structure & shareholder approval

BOARD

- / Maximum compensation approved by AGM >EUR1.5m since 2012
- / Compensation for membership of the BoD: EUR80,000 (50% in cash; 50% in shares to be held until end of tenure)
- / Active engagement with shareholders for the design and implementation of policy
- / Full support by proxy advisors ISS and Glass Lewis and 90% support in the advisory vote on Annual Remuneration Report

CEO

- / Target annual variable remuneration 100% of Base Salary
- / Maximum annual variable remuneration 200% of Base Salary
- / Target LTIP 250% of Base Salary (500% every 2 years)
- / Maximum LTIP 312.5% of Base Salary (625% every 2 years)



- / Committed to engage with shareholders
- / Average quorum at AGM's >60% high given 100% free float (46% of free float for Ibx35)
- / Full implementation of Spanish Governance Code, with the exception of separation of Remuneration and Nomination Committee, for agility reasons
- / Yearly outreach campaigns for engagement with shareholders and proxy advisors to review corporate governance and remuneration matters

Committed to our
environment &
our communities

- 3 m Kg donated to Food Banks
 - 1,5 m Kg “Food Waste” Project
-
- Carbon & Energy Efficiency
 - 134,000,000 Kwh saved
 - 45% CO2 reduction in refrigeration



FTSE4Good
Index

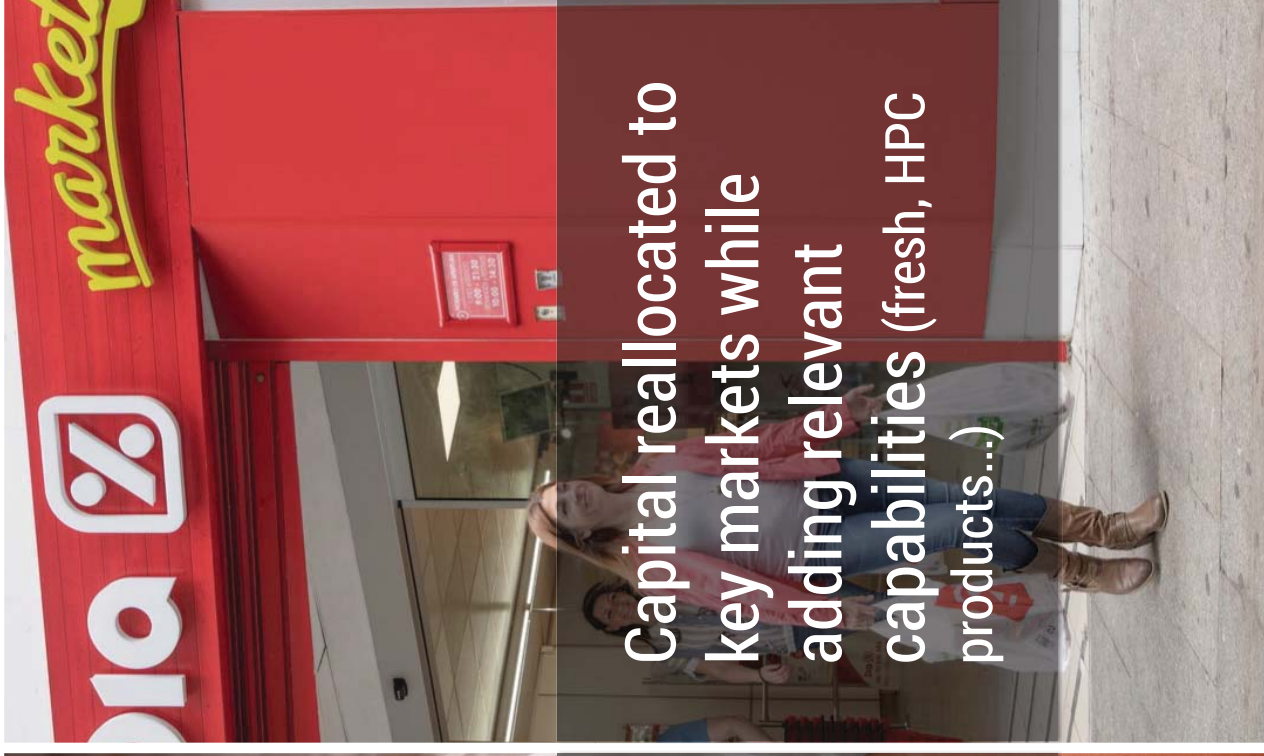


Best Newcomer Award

APPROVAL OF A 2017–19 ESG MASTER PLAN



Customer, digital and
online transformation



Capital reallocated to
key markets while
adding relevant
capabilities (fresh, HPC
products...)



Día

Consistent
achievement of
financial targets with
industry leading
returns

DIA

| 3

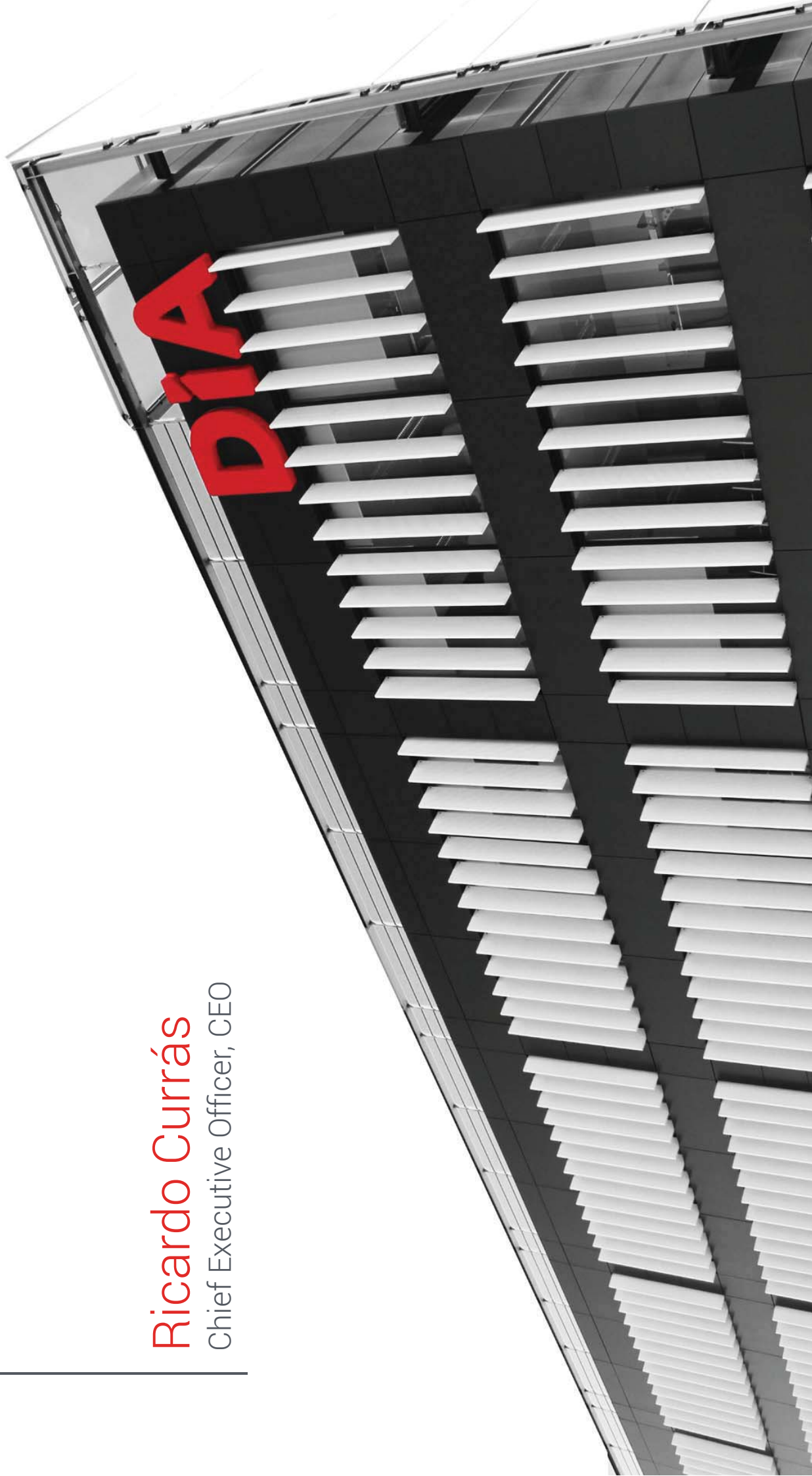
rd

CAPITAL

MARKETS DAY

2017 LONDON

Ricardo Currás
Chief Executive Officer, CEO

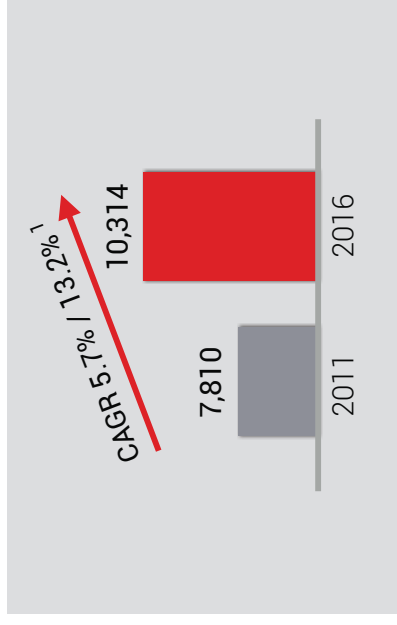




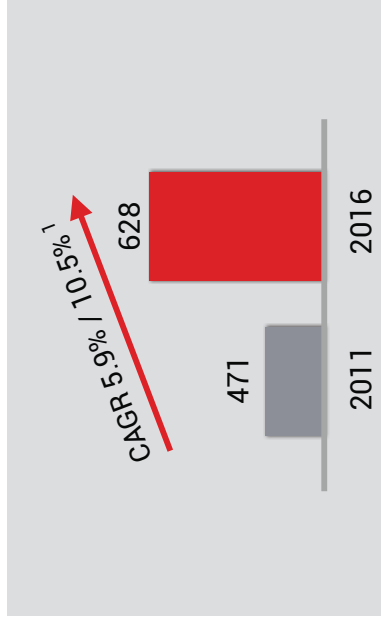
A STORY OF
CONSISTENT
PROFITABLE
GROWTH

FOOTPRINT + CAPABILITIES

DIA



GROSS SALES UNDER BANNER



ADJUSTED EBITDA

Notes

Excluding China, France and Turkey

1. Ex-currency



A STORY OF
CONSISTENT
PROFITABLE
GROWTH

DIA FOOTPRINT

PROXIMITY

More than 7,000 stores in Iberia, Brazil and Argentina

PRICE

Best-in-class price image

FLEXIBILITY

Lowest-cost operator

FOCUS

Food and HPC



A STORY OF
CONSISTENT
PROFITABLE
GROWTH

DIA CAPABILITIES

FRANCHISE

More than 3,600 stores

PRIVATE LABEL

High share of total sales
in every market

LEAN SUPPLY CHAIN

LOYALTY PROGRAM

High customer penetration

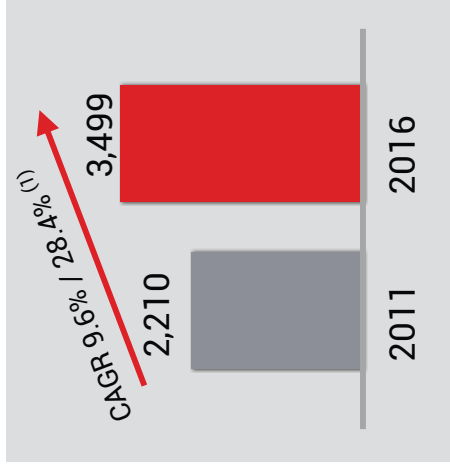
A STORY OF CONSISTENT PROFITABLE GROWTH

GROWTH MARKETS

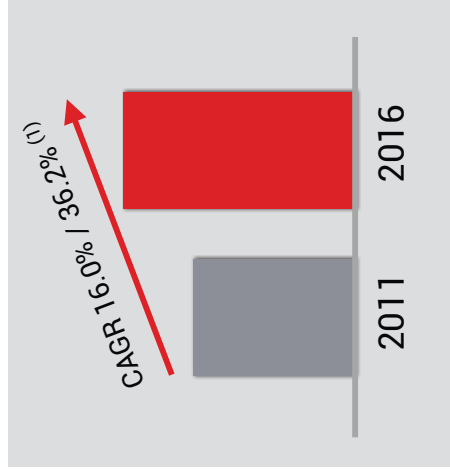
Brazil & Argentina

- Young and growing population
- 50% of the market non-organized
- DIA: a distinctive commercial model
 - Proximity
 - Private label represents >35% of sales
 - Best-in-class price image and NPS

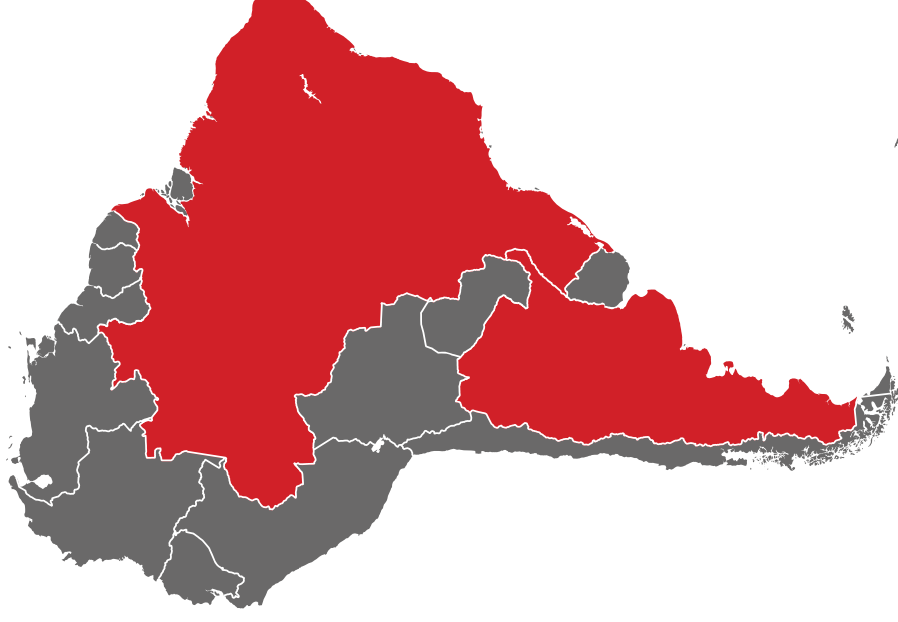
DIA



**GROSS SALES UNDER
BANNER / LATAM**



ADJ. EBITDA / LATAM



⁽¹⁾ At constant currency

CHANGES ARE ACCELERATING

TECHNOLOGY



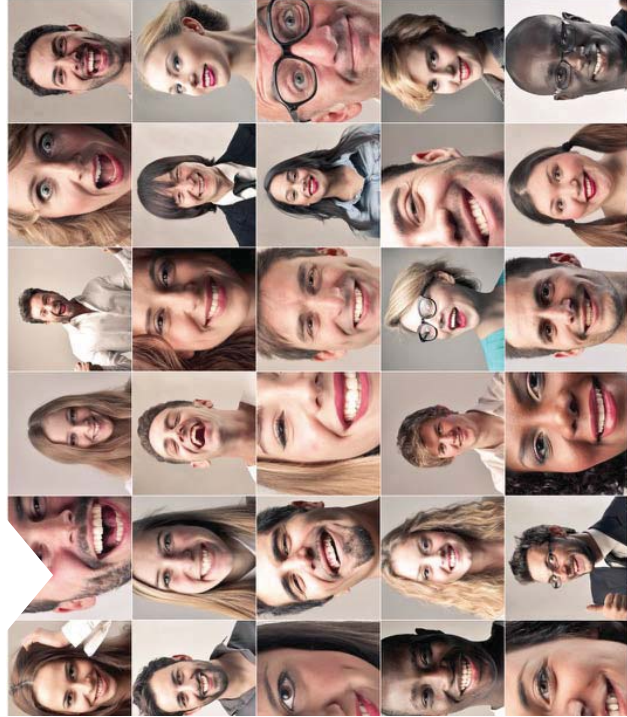
Mobile

INFORMATION



Inmediate

CUSTOMERS



Diversity

MARKETS ARE GETTING TOUGHER

**AGEING
POPULATION**



No growth

**FOOD AS A
COMMODITY**



No inflation

**NEW POWERFUL
COMPETITORS**



Big on-line "pure players"

DIA IS FLEXIBLE AND ADAPTABLE

The new
environment is
an **opportunity**

DIA becoming **100%**
customer-centric

Push digital transformation to:

- Build customer centricity
- Improve productivity
- Develop new channels to sell and communicate with customers

DIA



DIGITAL CHALLENGE: TURNING THREATS INTO OPPORTUNITIES

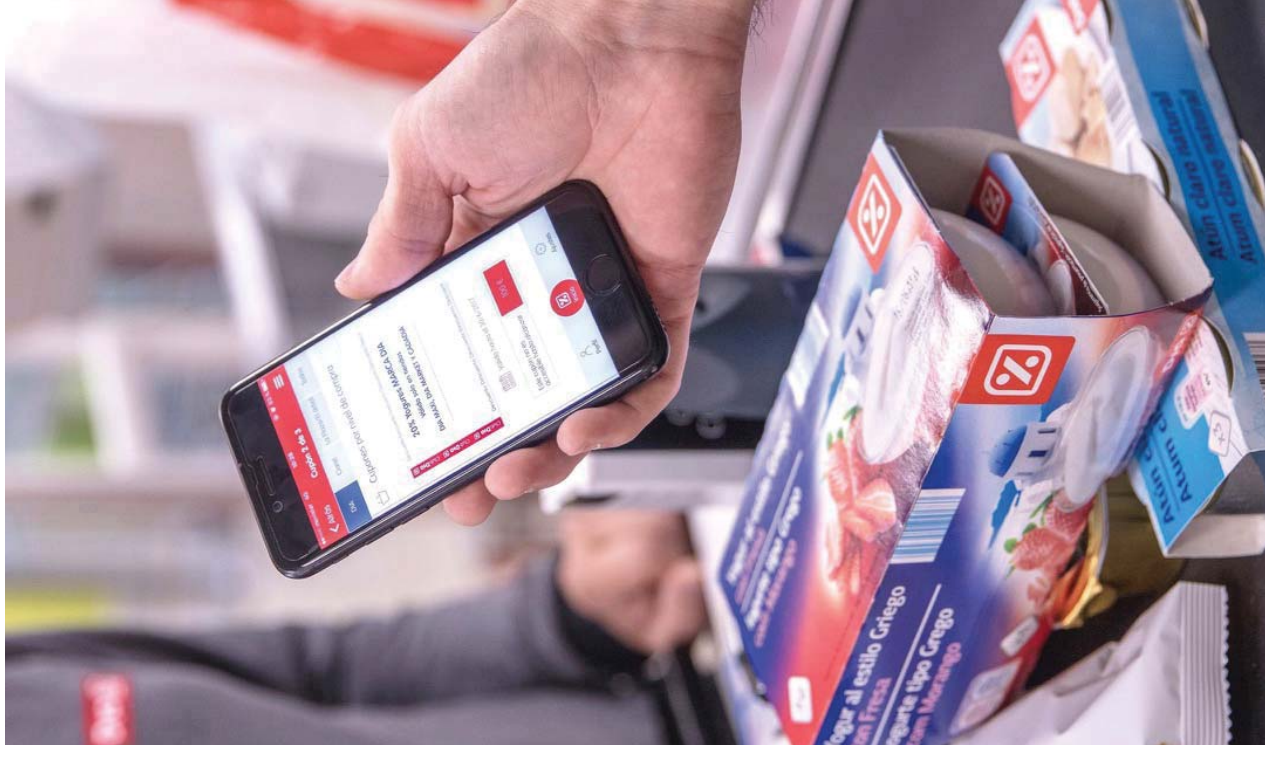
Challenge

- E-commerce exponential growth in food retail
- No economic model for e-commerce
- Aggressive and powerful new entrants



Opportunity

- DIA might not beat the big pure players but will be best in class within incumbents
- DIA is the closest to customers
- DIA online sales growth x3 and earning some money



“ The use of travelling is to regulate imagination by reality and instead of thinking how things may be, to see them as they are ”

Samuel Johnson



DIA INVITES YOU TO JOIN
US ON THIS JOURNEY,
HOW WE WORK TO
BECOME **CLOSER** TO OUR
CUSTOMERS AND **MORE**
RELEVANT TO THEM
EVERY DAY

DIA



DIA

| 3

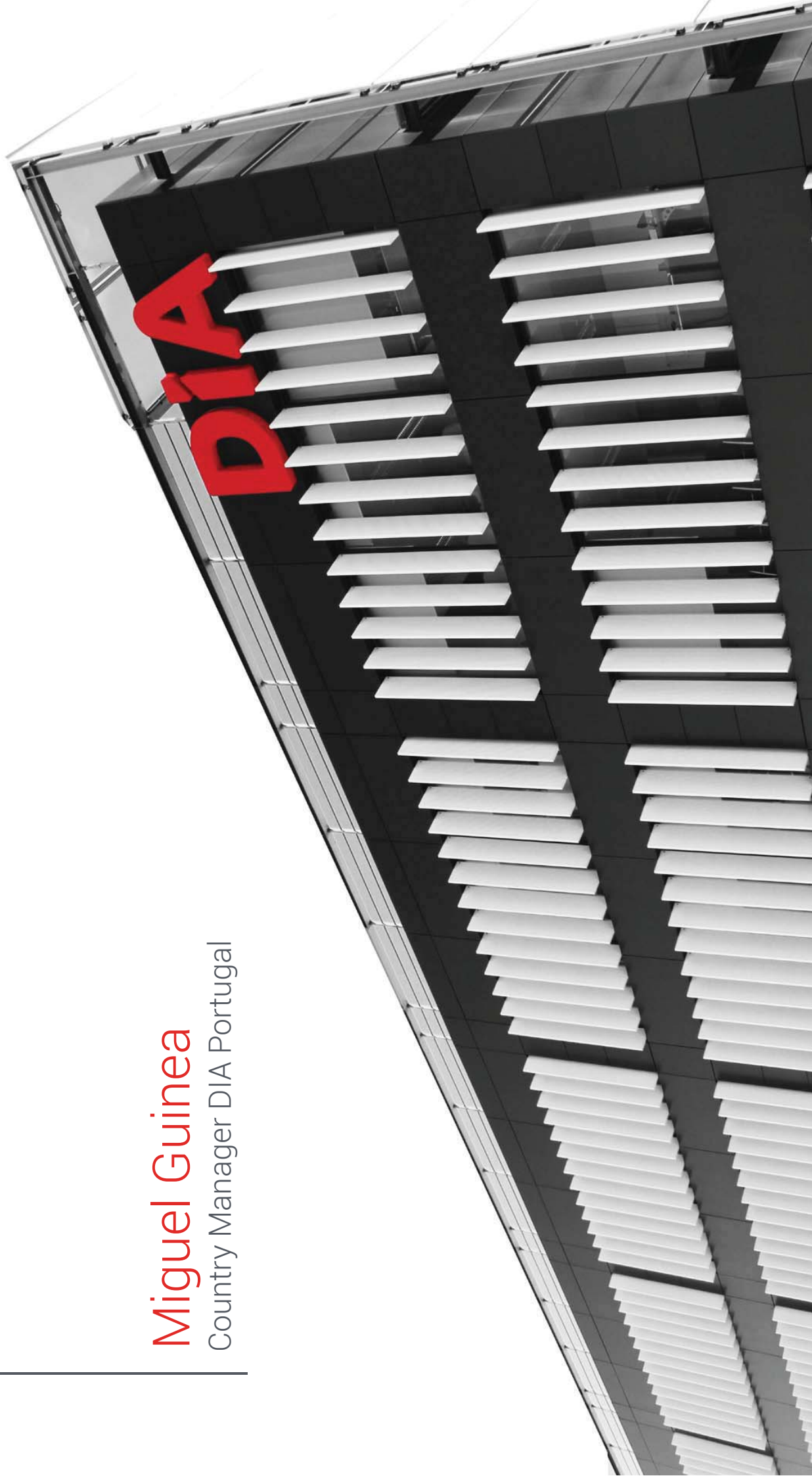
rd

CAPITAL

MARKETS DAY

2017 LONDON

Miguel Guinea
Country Manager DIA Portugal



DÍA

WE PROPOSE
YOU A
COMPANY
JOURNEY



Month	Value 1	Value 2	Value 3	Value 4
January	17,901	2,947	1,666%	1,399%
February	15,81	4,677	1,1%	0,71%
March	17,94	2,27	1,7%	2,17%
April	11,77	3,675	1,1%	1,65%
May	21,4	73,115	1,66%	1,65%
June	38,64	18,606	1,59%	1,96%
July	19,08	8,542	0,71%	1,23%
August	10,25	5,118	2,17%	1,00%
September	25,19	12,389	1,09%	1,03%
October	25,63	12,845	0,77%	1,03%
November	17,81	24,285	1,53%	1,24%
December		4,693	0,94%	1,78%





DIA

THROUGH THE
CUSTOMER
EXPERIENCE





DiA

CHALLENGE



INFORMATION SYSTEMS



MAKE THE CLIENT A PROMOTER



Venta por catálogo **Dia** 

Set de 3 sartenes en acero de carbono con revestimiento antiadherente

- Set de 3 sartenes en acero de carbono con revestimiento antiadherente.
- Altor de 10 que suave.
- Altor para todo tipo de fuegos incluidos.
- Diámetro: 20 cm x 3,3 cm; 24 cm x 3,6 cm.
- Color: Negro.

19,99€ por set

60% ahorro

19,99€

32,99€

32,99€

32,99€

32,99€

32,99€

32,99€

32,99€

32,99€

32,99€

32,99€

800 Uds. disponibles | **061 935140** | Validez del código



THE FRANCHISE AS A WINNING FORMULA

MAGNINA PARA CAMPANER SERTADO

7,99€

89€

Calabón Neobook

Revestimiento de los platos y fundidos con fibra de...

¡Solo en Dia y Dia 365!

DIA

| 3

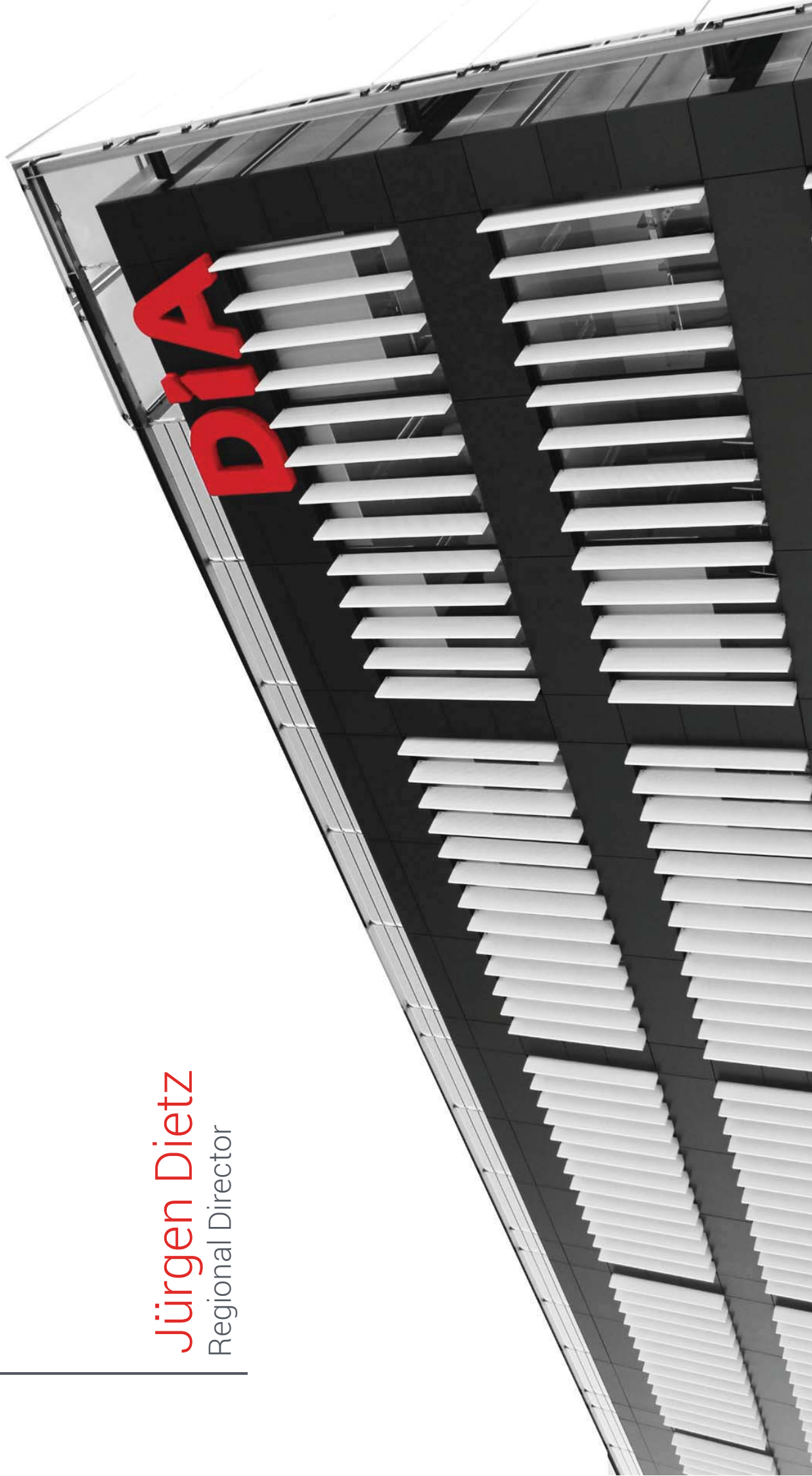
rd

CAPITAL

MARKETS DAY

2017 LONDON

Jürgen Dietz
Regional Director



la plaza



SUPERMARKET ACQUISITIONS

2015-2017



el árbol
supermercados

2014

+451

Stores

2015



+144

Stores

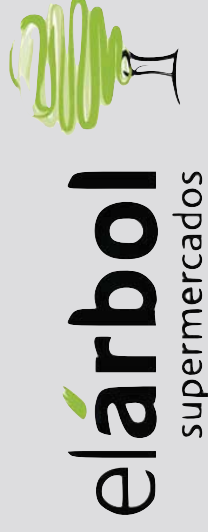
MAIN BENEFITS OF THE SUPERMARKET ACQUISITIONS

**A new shopping experience
with more services for our
customers:**

- Larger assortment
- Convenience products and services
- Fresh categories with specialised

staff counters:

- Fish
- Meat
- Cold-cuts
- Deli



MORE SERVICES....

la plaza



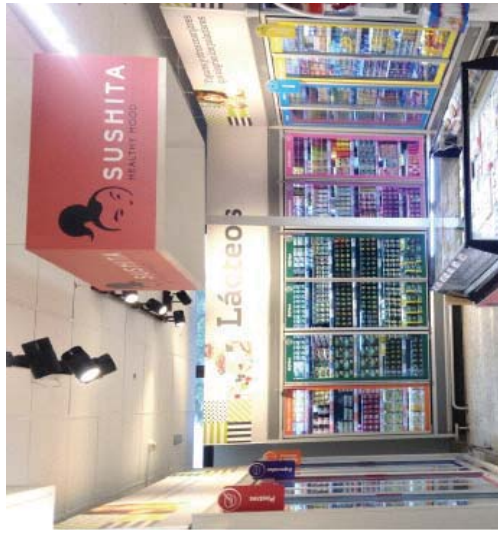
**BAKERY
CORNER**



**FRESH
COUNTERS**



**CONVENIENCE
SECTIONS**



Lácteos

**MORE EMPHASIS
ON HIGH-QUALITY
PRIVATE LABEL**

DIA



NEW STORE FORMAT IN PORTUGAL

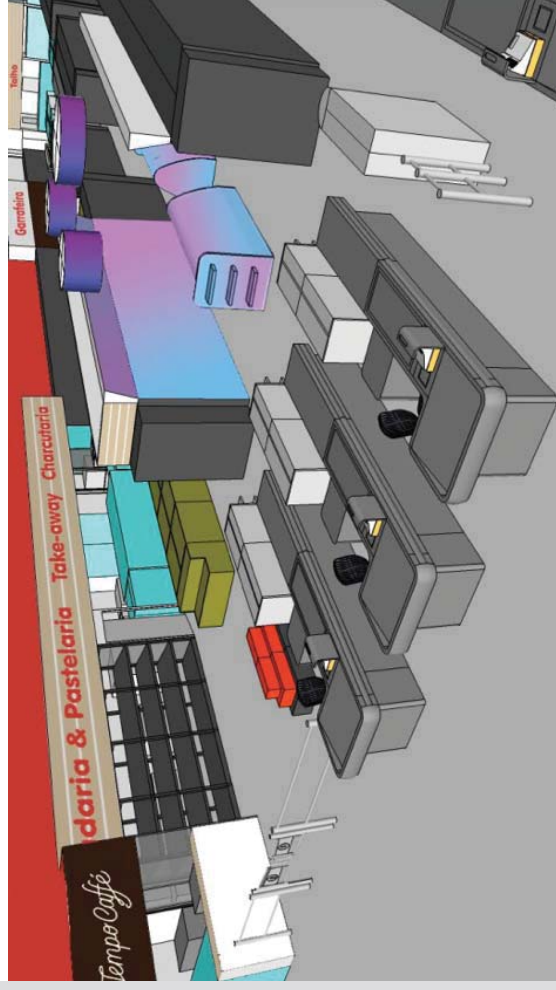
Minipreço family



Greater visibility of
assortment and
shopping experience
materially improved



DIA



NEW STORE FORMAT IN PORTUGAL

Minipreço family



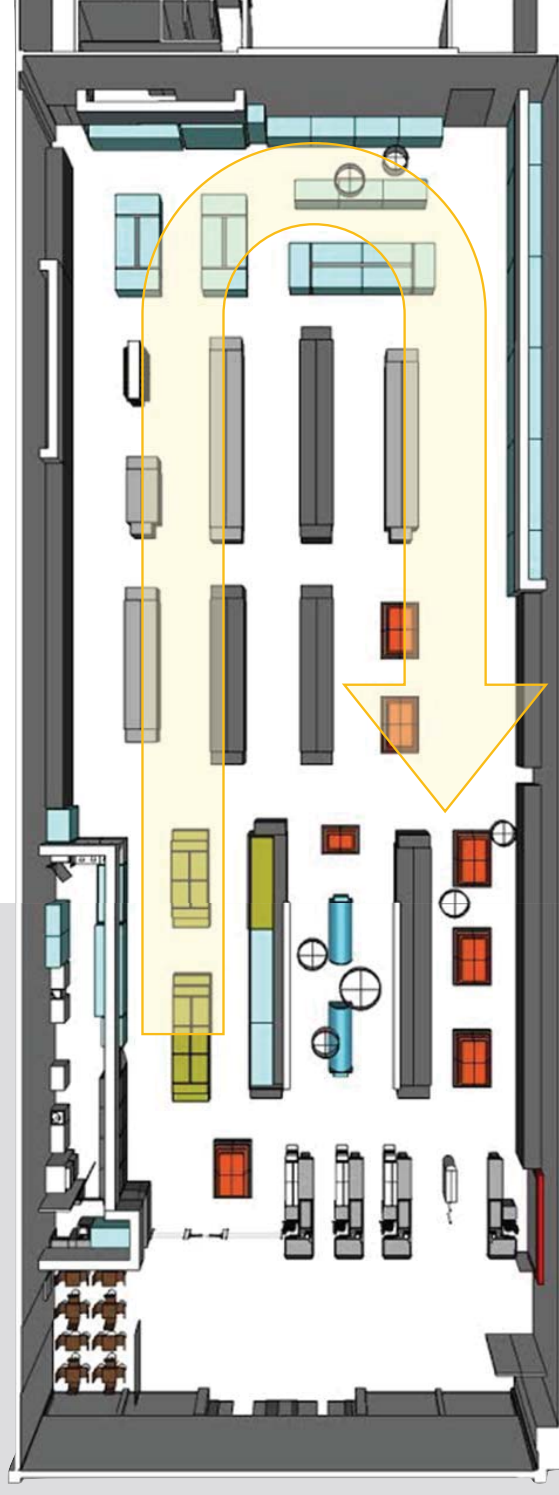
DIA

**Store entrance
with better visibility
and more light**

**Areas with higher traffic
have shorter shelving**

New sections and services
perceived at a first glance

- Easier to see contiguous aisles
- Easier circulation with shorter aisles
- “Hot spots” all across the store

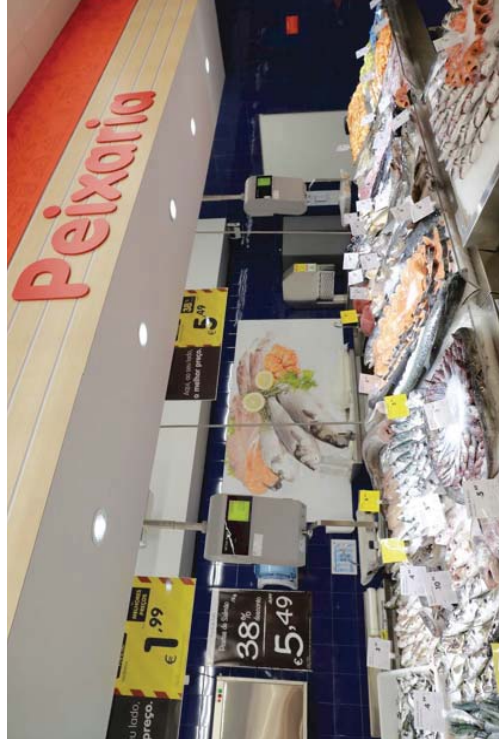
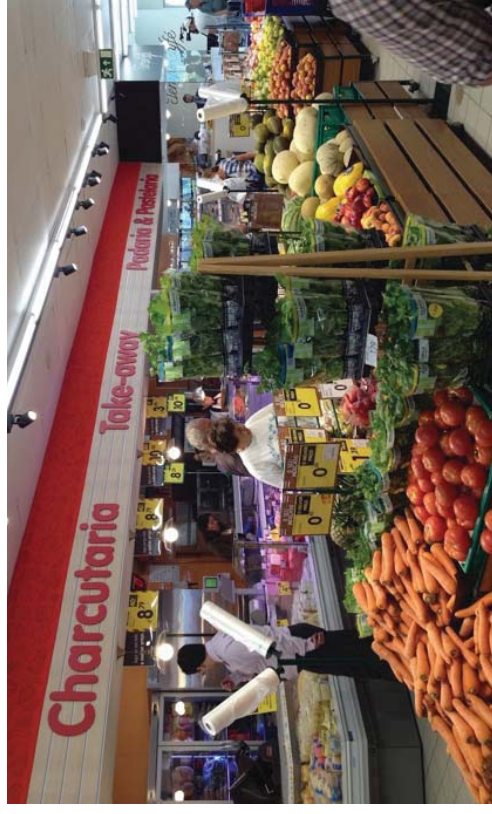


NEW STORE FORMAT IN PORTUGAL

Minipreço family



DIA



NEW STORE FORMAT IN PORTUGAL

Minipreço family



DIA



Coffee shop

Hot spot

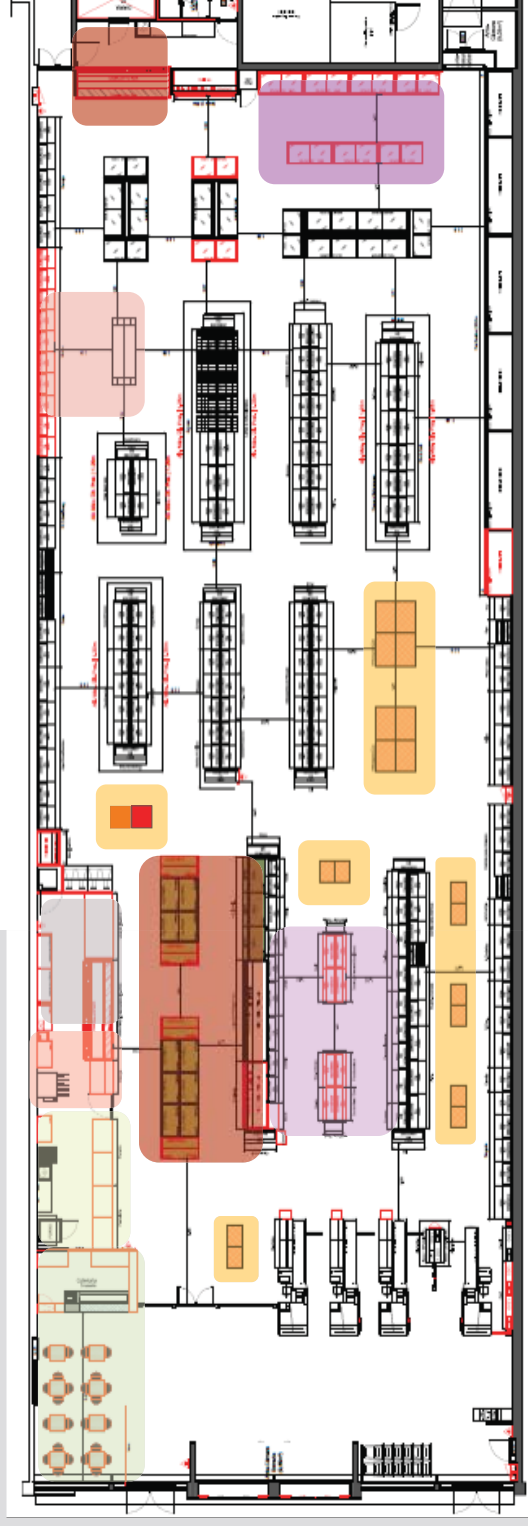
Take Away

Cold cuts

Fruit & Vegetables

Wine

Meat counter



Perfumery

Promotional Area

Frozen fish

2017: NEW DIA MARKET STORES IN SPAIN

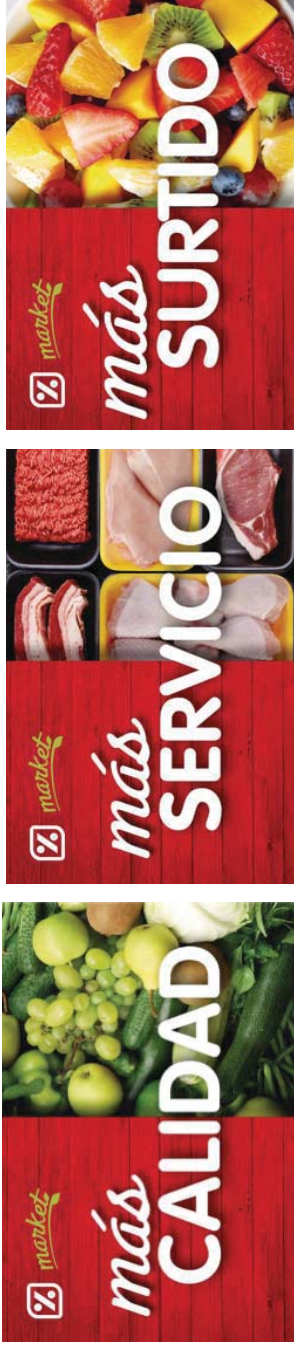
Upgrading of existing
DIA Market stores
into the new DIA
Market IV version

DIA



NEW DIA MARKET: INTERIOR DESIGN

Easier organization
& better visibility



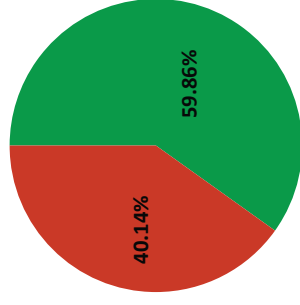
NEW CUSTOMER SURVEYS IMPLEMENTED IN 2016

Net Promoter Score **DIA** Spain

Graph that shows % of no satisfied customers who have not found the product



NPS Out of Stock effects



■ YES ■ NOT



NPS customers who have found everything

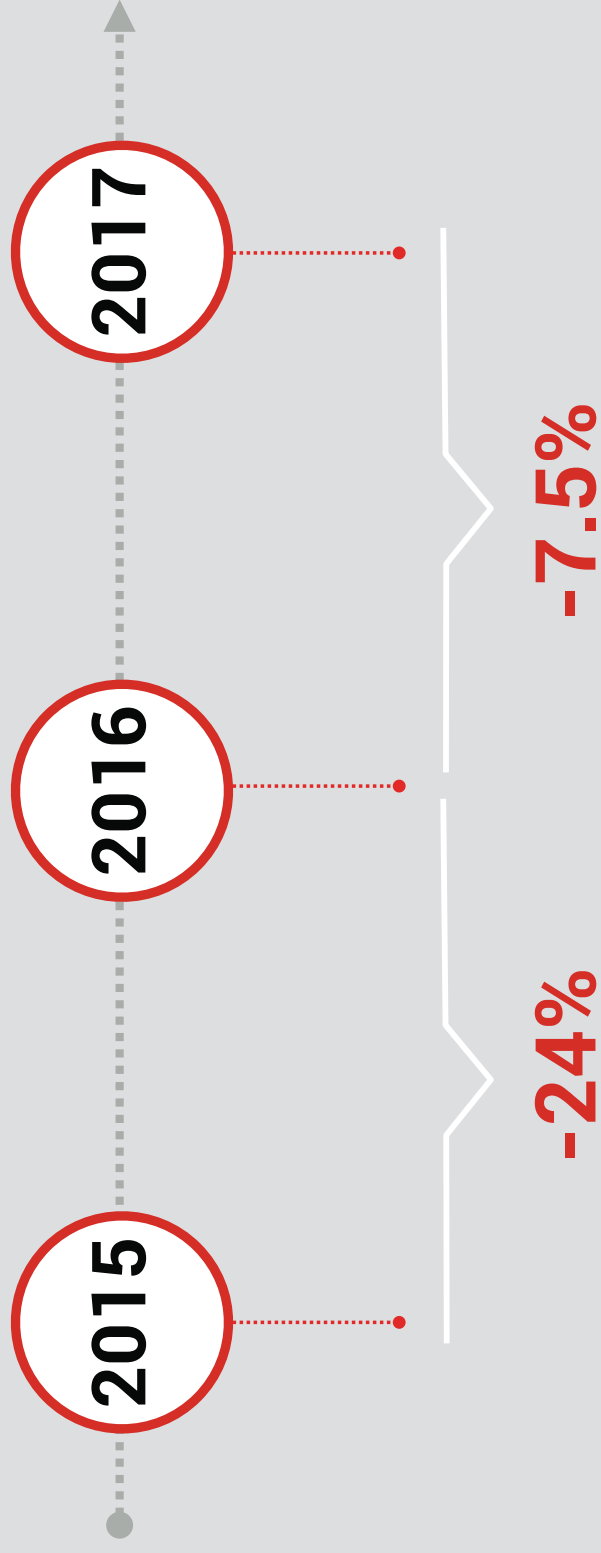
OUT-OF-STOCK AND ON-SHELF AVAILABILITY RATIOS

DIA



1. What products cannot be found by our customers?
2. What products are not in a condition to be sold?
3. What products are located where customers do not expect to find them?

**IMPROVING
OUT-OF-STOCK
RATIOS**



**IMPROVEMENT
OF ON-SHELF
AVAILABILITY
(OSA)**



OSA (ON-SHELF AVAILABILITY)

Main reason for OSS (In-Store Stock-Out):

- Stock quality
- In-store warehouse: merchandise not well allocated and managed in the stores or overstock in low-rotation products
- Wrong labelling

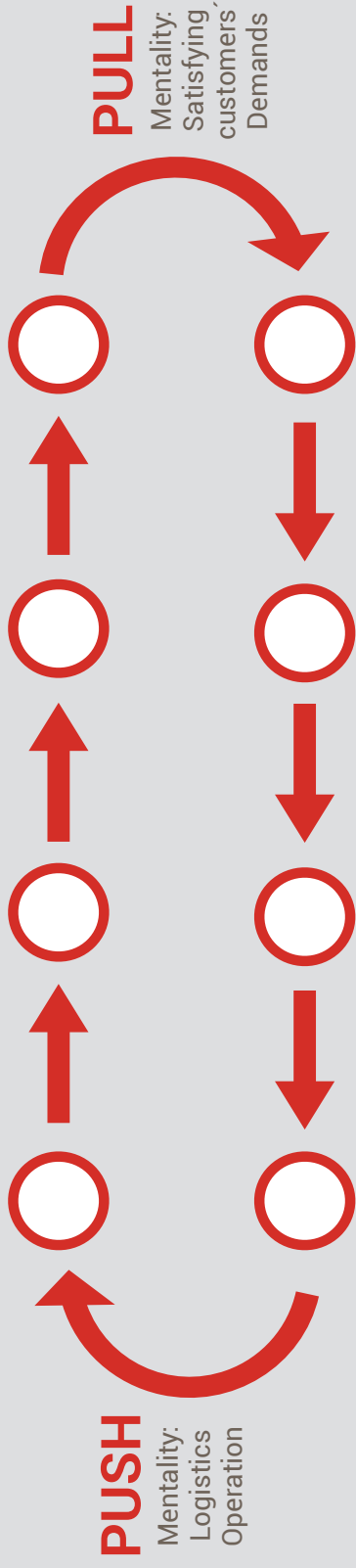
As a potential solution, some departments devoted resources to new projects such as:

- Double E Project
- Optimize tasks in store deposit
- DIA store App to better manage inventories

**DOUBLE
PROJECT:
EASY AND
EFFICIENT**

Non-value adding tasks

Manage excess stocks / Stock reserve



**WHAT DOES
DIGITAL MEAN
IN OUR STORE
OPERATIONS?**

**WITHOUT
DIGITAL:**

What happened?



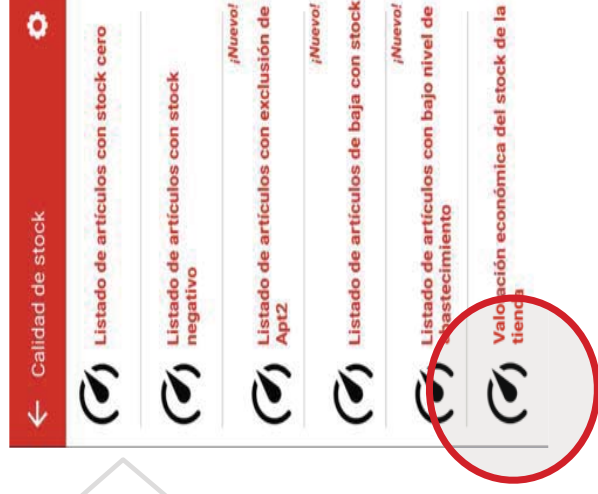
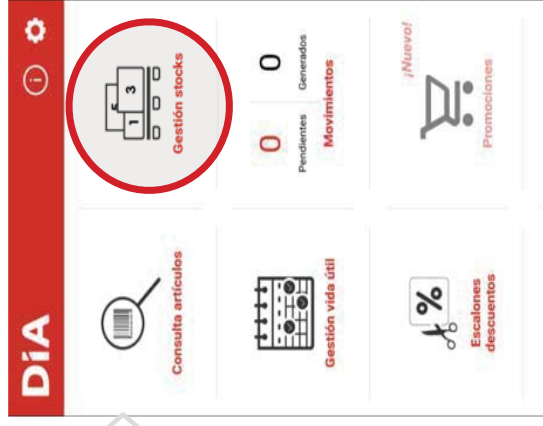
**WITH
DIGITAL:**

What is happening?

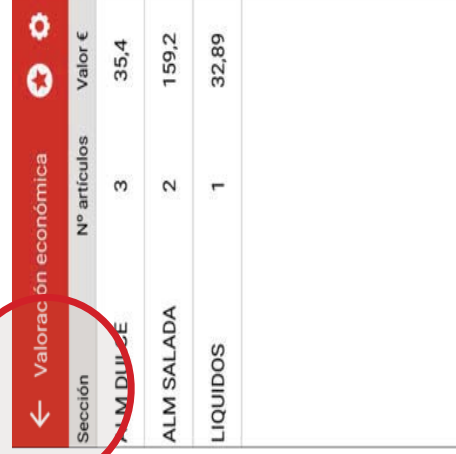
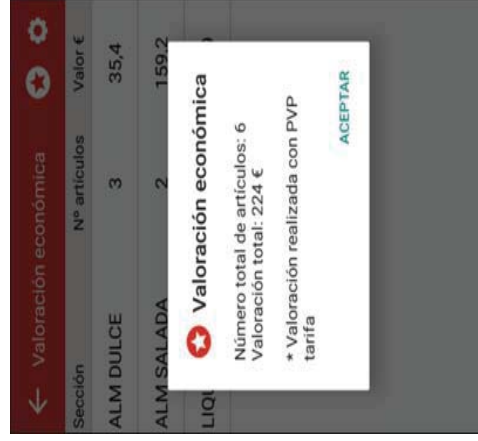


DIA STORE APP

DÍA



Financial valuation



OUR GOALS

NEW SERVICES:
Increase customer satisfaction

REDUCE INEFFICIENCY:
Easier Store Organisation

NEW TOOLS:
Push Digital transformation in Store

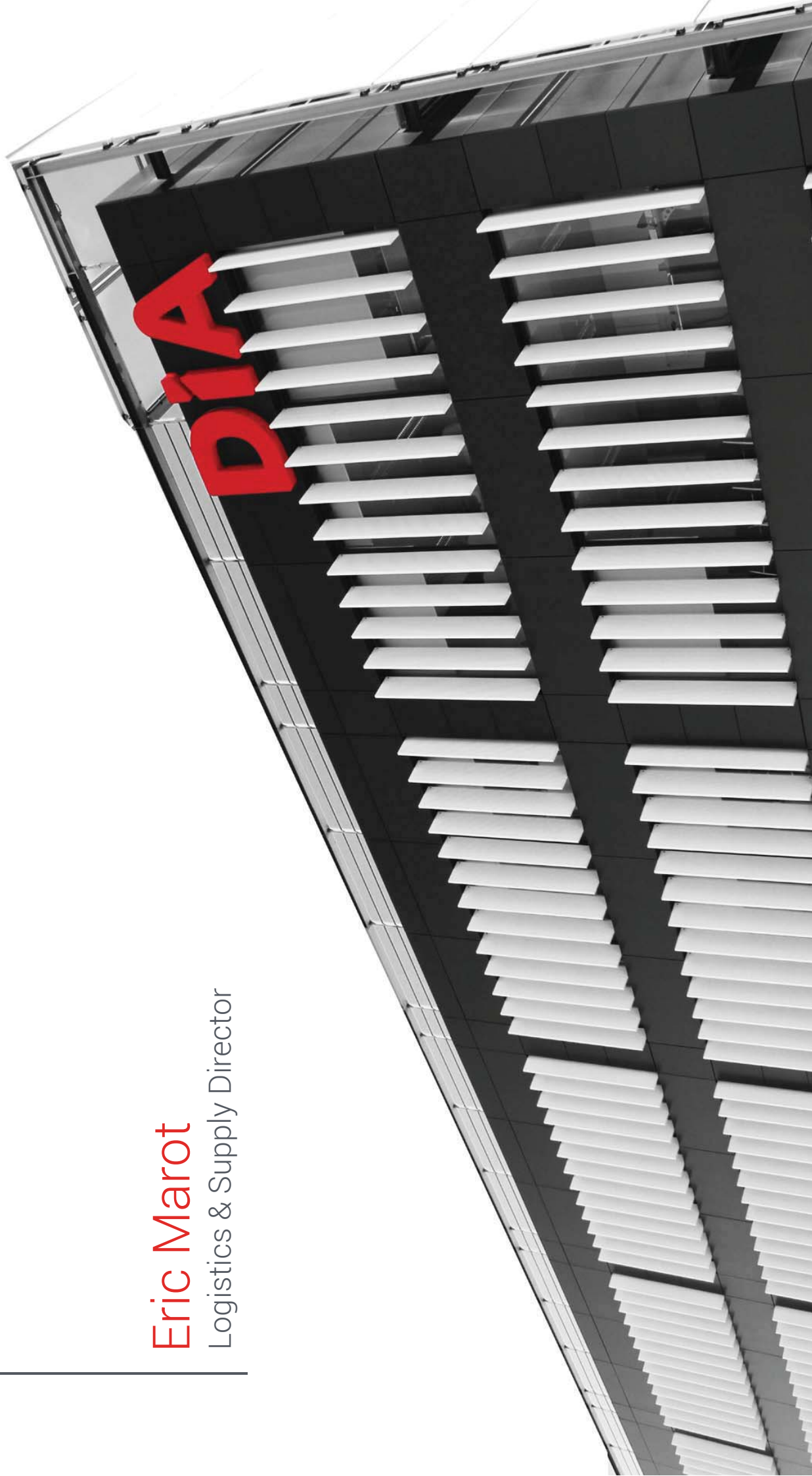
DIA

| 3

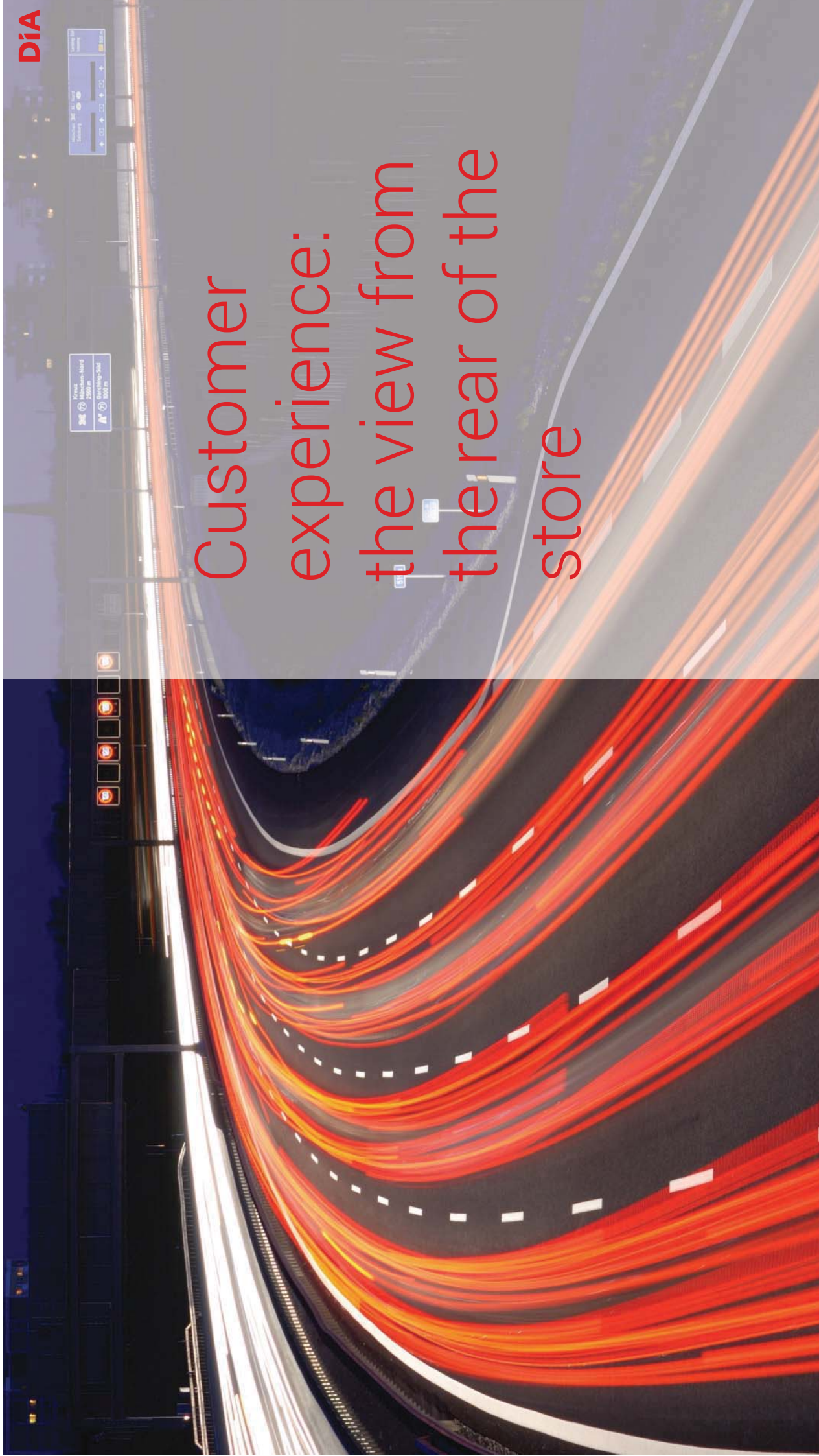
rd
CAPITAL
MARKETS DAY
2017 LONDON

Eric Marot

Logistics & Supply Director



Customer experience: the view from the rear of the store



DIA GROUP LOGISTICS EVOLUTION

The way
it used
to be

PUSH SYSTEM

- Availability of our products was related to the cost
- Reduced number of SKUs (of high rotation and low rotation) < 3,000 SKUs
- Service was concentrated on mass-market products (very limited range of perishables with short expiration dates)

The way
it has to
be today

PULL SYSTEM

- Complete availability of the entire assortment > 15,000 SKUs
- Wide variety of products, both high and low rotation
- Extended range of perishable offer such as seafood, fresh fish, meat and fruit...

- **50% increase in the assortment of flow warehouses**
- **100% increase in the assortment of central warehouses**

ADAPTING LOGISTICS TO THE NEW REQUIREMENTS OF THE MARKET

The new demands of the market...

- New concept of total proximity commerce:
- Higher speed of service
- 100% availability: our schedule has been defined by the customers
- Zero mistakes in deliveries

... imply additional challenges

- Cost Sustainability (good balance between cost and availability)
- Increasing complexity of delivery channels
- Avoid overstock in stores

THE IMPORTANCE OF LOGISTICS

DIA has integrated the service to all formats into the same logistics network

- Adaptability of the service to the needs of our clients
- Rapid response to demand
- Global vision of the entire supply chain process: supplier – final client
- We take advantage of the service synergies of our network:
 - Our distribution centers serve all the formats (Clarel, DIA, La Plaza)
 - Shared stocks
 - Common staff
 - Shared transport

IMPLICATIONS OF **DOUBLE E** **PROJECT FOR** LOGISTICS

FOCUSED ON CLIENT
STORE NEEDS

EASY & EFFICIENT LOGISTICS

— |
The cost of the order

— |
The quality of the order

CUSTOMER
SATISFACTION



THE REAR OF THE STORE...

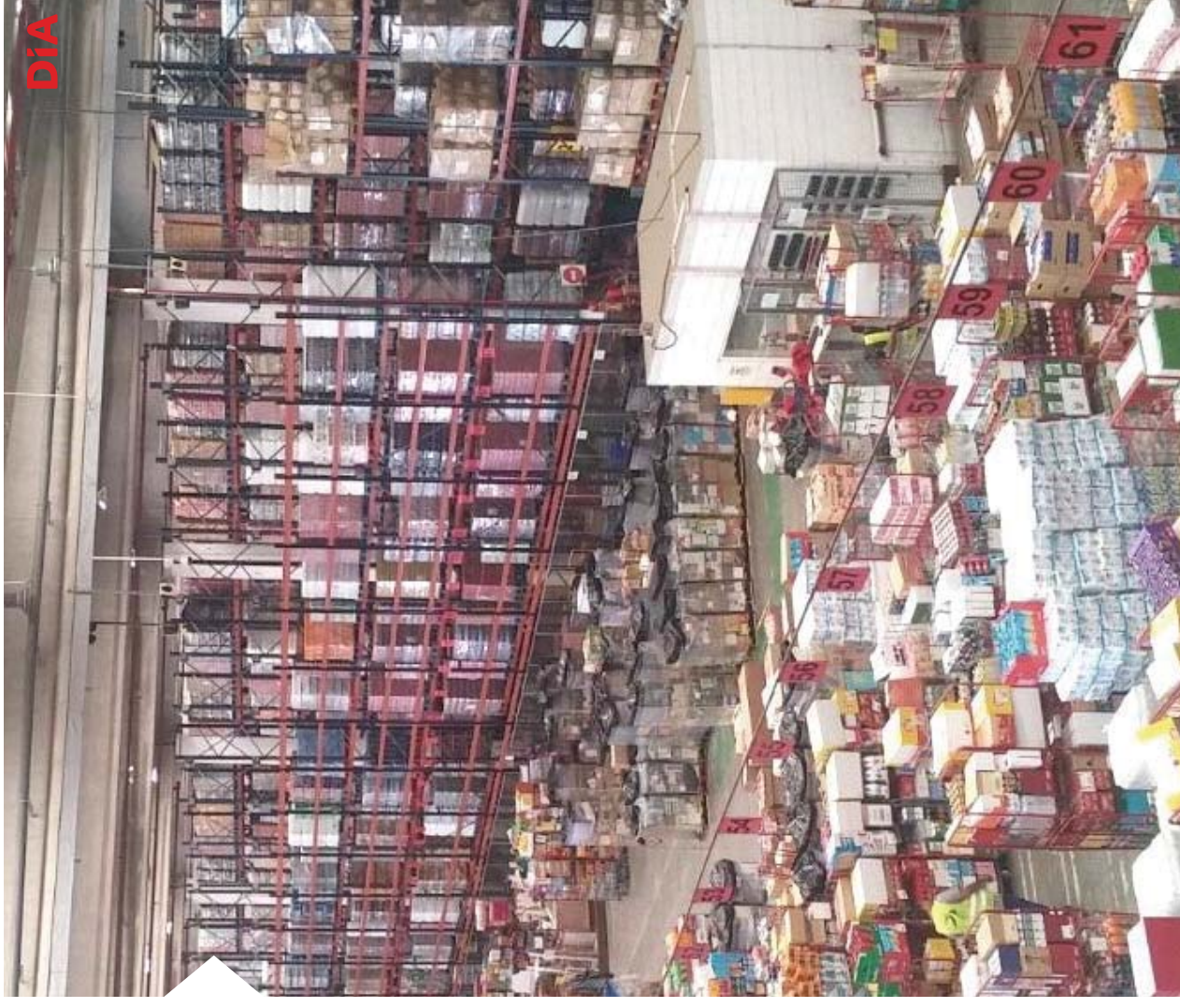
EFFICIENCY THROUGH PRODUCTIVITY

Production profit sharing system

Big data analysis

Dynamic stores system

All these projects reduce our supply chain costs by 5%



THE REAR OF THE STORE...

ATTAINING QUALITY BY IMPROVING OUR PROCESSES

Put to Light

Significant reduction in picking errors

Scanning tunnel

Double-checking process in the preparation of high value/low rotation products

Security format of our combis

Eliminating unknown losses during transportation periods

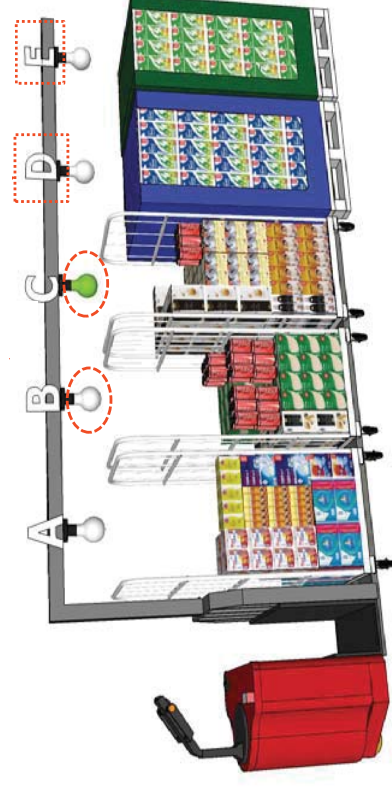


Scanning tunnel



Security combis

Put to Light



THE REAR OF THE STORE...

NEW "HELIOS" COMBI

- Faster download and store replenishment
- Improved security and reducing damage to product
- Optimized volume of capacity
- Easier reverse logistics
- Proprietary development
- Payback < 2 years



THE REAR OF THE STORE...

TRANSPORTATION OF GOODS

Renovation of truck fleet

- Reduction of carbon emissions
- Reduction of noise during delivery

DIA

Mega truck first movers:

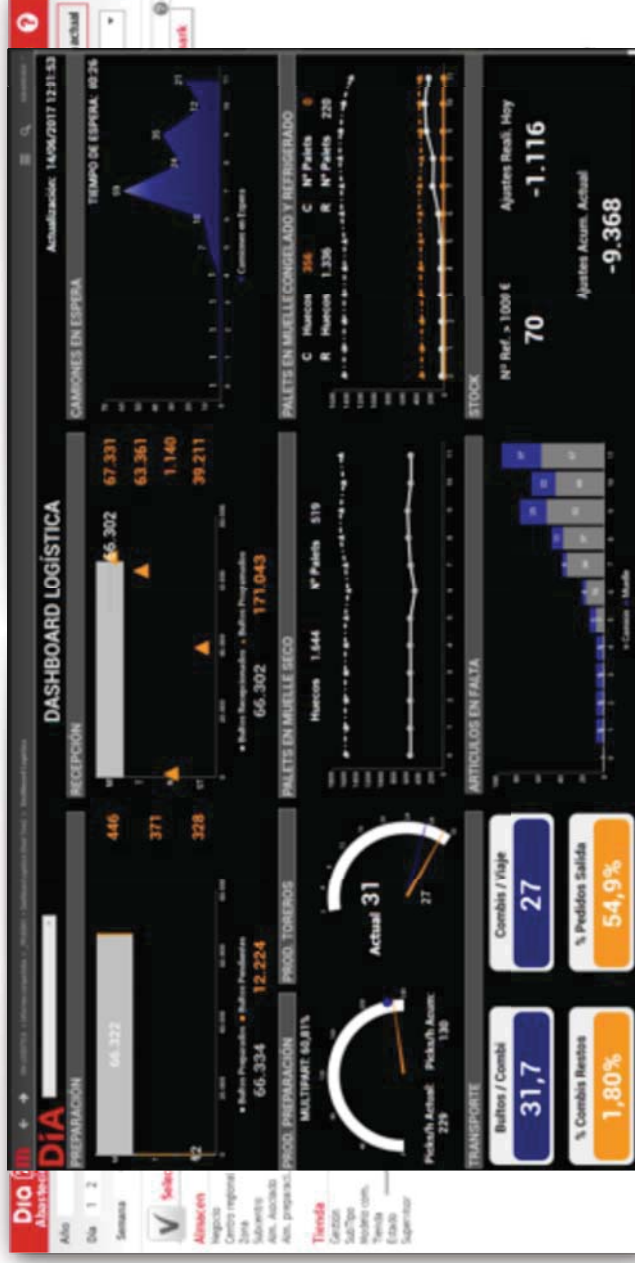
Reduction in the number of trips due to the increased capacity (50%)



- Length: 25,25 m
- Weight: 60 Tonnes
- Transport costs reduced by 30%

REAL-TIME LOGISTICS

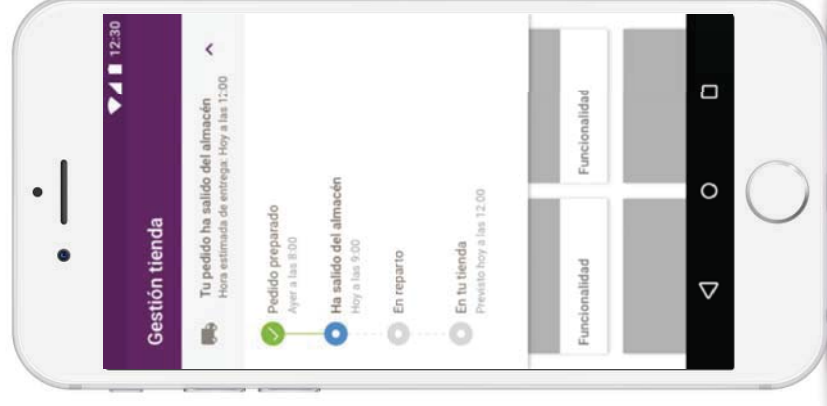
- Anticipates possible operating problems
- It optimizes and designates the employees and equipment needed



STORE MANAGEMENT DIA APP

YOUR ORDER HAS BEEN DISPATCHED
AND IS EXPECTED TO BE DELIVERED
TODAY AT 11:45

DIA



- Your order has been prepared (yesterday at 13:45)
- Your order has been dispatched (today at 8:00)
- In delivery process
- In store (expected arrival today at 11:45)

THE REAR OF THE STORE...

DIGITALISATION PROCESS

DIGITALIZATION OF THE ORDERS (TO OUR SUPPLIERS)

- Algorithm machine learning: our supply system “learns about its own mistakes” which will lead to a continuous improvement purchase system
- Quick and easy communication among all our supply chain favoring its efficiency

MEASURING NPS OF THE LOGISTIC SERVICES

NPS Clients

- An online customer survey

Stores & Supermarkets

- Annual satisfaction survey to our franchised and owned stores

Key topics of logistics satisfaction

- Quality of the order: zero mistakes
- Format of service
 - Time to download the merchandise
 - Speed of store replenishment
- Just-in-time

OUR GOAL: CUSTOMER SATISFACTION

EXCEL DELIVERY SERVICE

Caring about
products

EMPLOYEE- FRIENDLY

Better ergonomics

ACCURATE

Zero mistakes

EFFICIENT & ENVIRONMENTALLY FRIENDLY

- Minimum cost
- Lower emissions

JUST-IN-TIME

Quick response to
the market

DIA

| 3

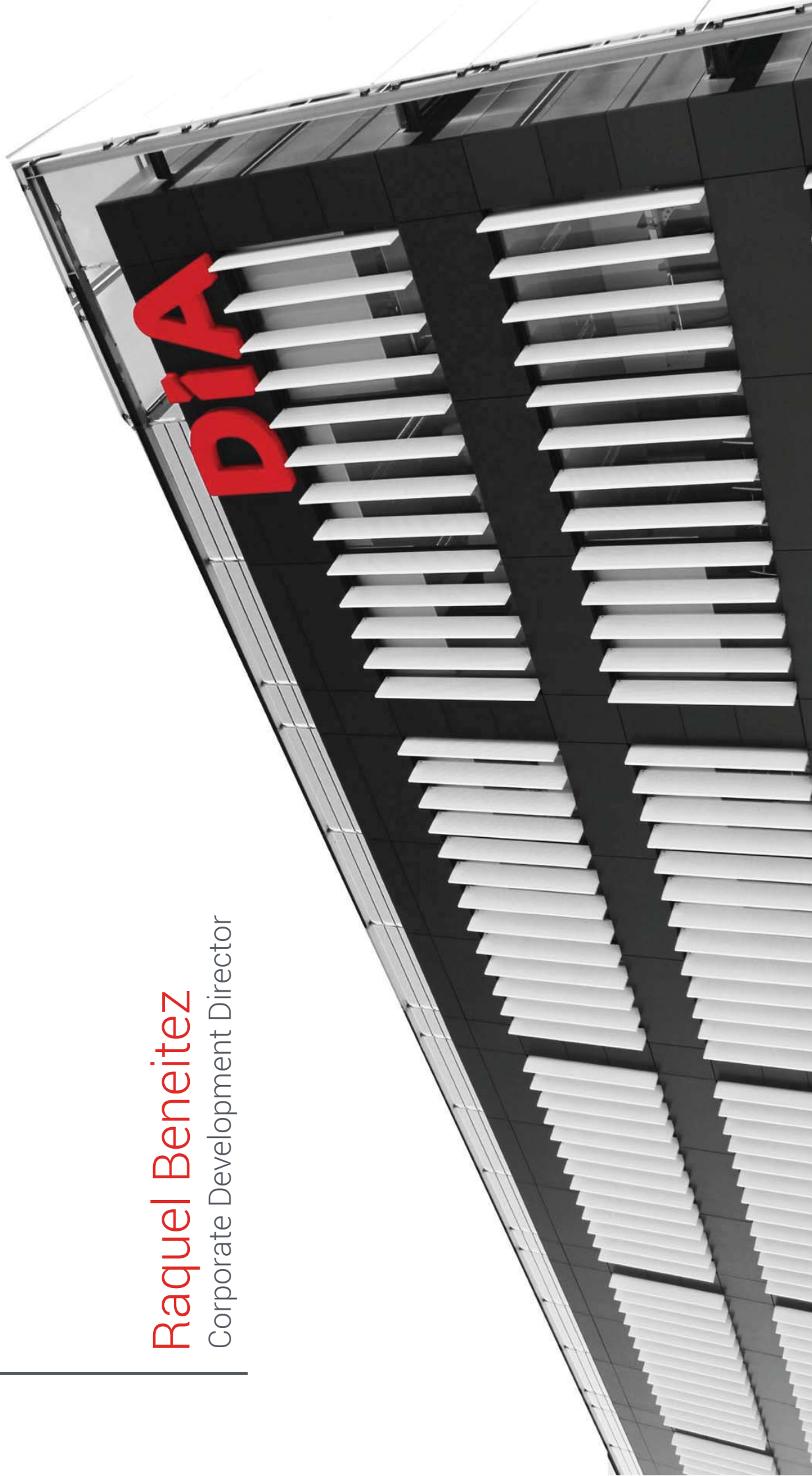
rd

CAPITAL

MARKETS DAY

2017 LONDON

Raquel Beneitez
Corporate Development Director





Efficiency through process
simplification and supply
cost reduction

Flexibility in asset
renegotiation

Strategic commercial
alliances



Efficiency through process
simplification and supply
cost reduction

Flexibility in asset
renegotiation

Strategic commercial
alliances

Efficiency
through
processes
simplification
and supply
cost
reduction



LCO

Low-Cost Operator



Flexibility & efficiency: Two key elements of DIA organization


- We strive to do things right
- With the best possible performance
- And with the minimum use of resources

In our logistics

Efficiency through processes simplification and supply cost reduction



- Factory gate pricing models
- Shared routes
- Cross docking

EXAMPLES: 

In our warehouses...

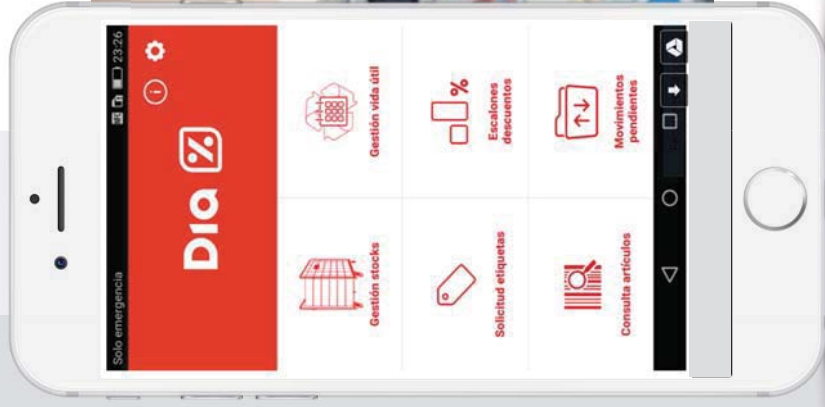
Efficiency
through
processes
simplification
and supply
cost
reduction



Preparation productivity

Efficiency
through
processes
simplification
and supply
cost
reduction

In our stores....





Efficiency through process
simplification and supply
cost reduction

**Flexibility in asset
renegotiation**

Strategic commercial
alliances

Flexibility in assets renegotiation

1/4

of our rental
contracts are
renegotiated
each year

EUR8.5m

savings in
Spain in
2016

≈ 15%

average rent
reduction*



DIA

Notes

1. In renegotiated contract



Efficiency through process
simplification and supply
cost reduction

Flexibility in asset
renegotiation

**Strategic commercial
alliances**

Strategic
commercial
alliances



DÍA

INTERNATIONAL



Casino

NATIONAL



EROSKI

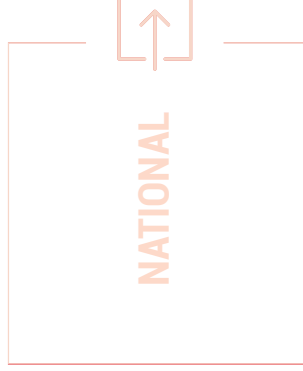


Intermarché

DÍA



Strategic
commercial
alliances



DíA

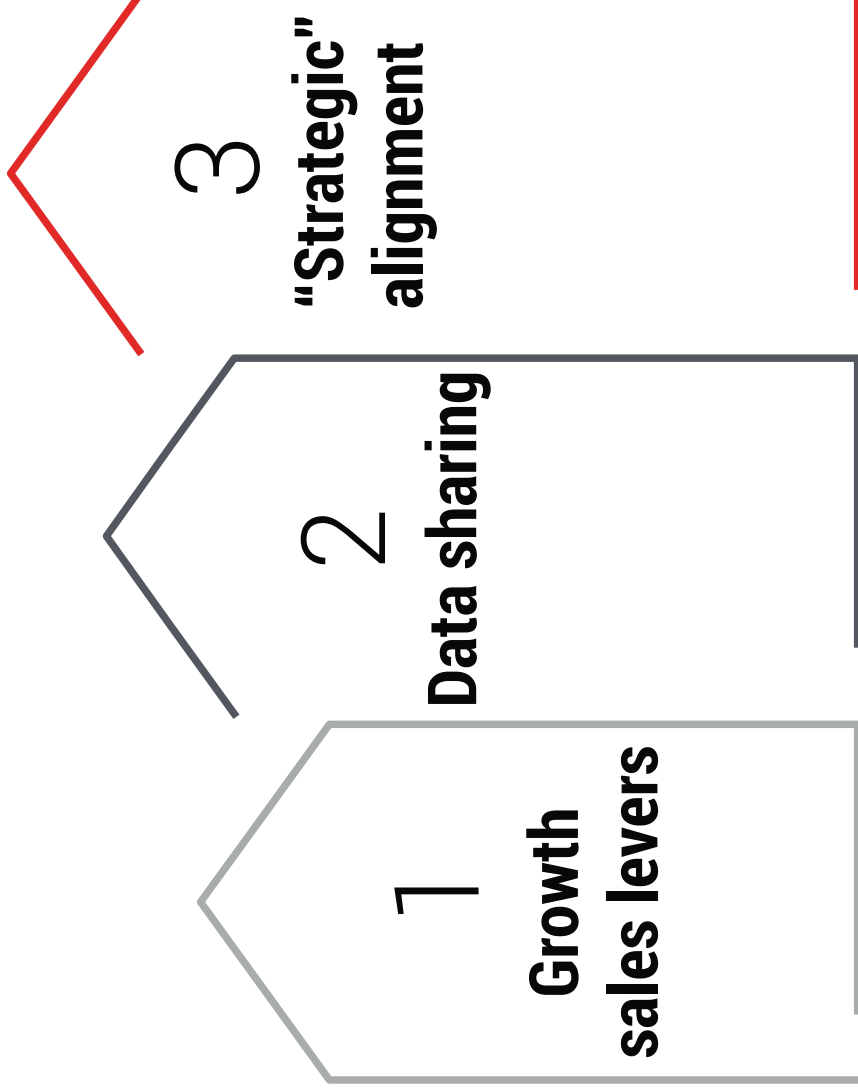
DíA + *Casino*



Signed in November 2015

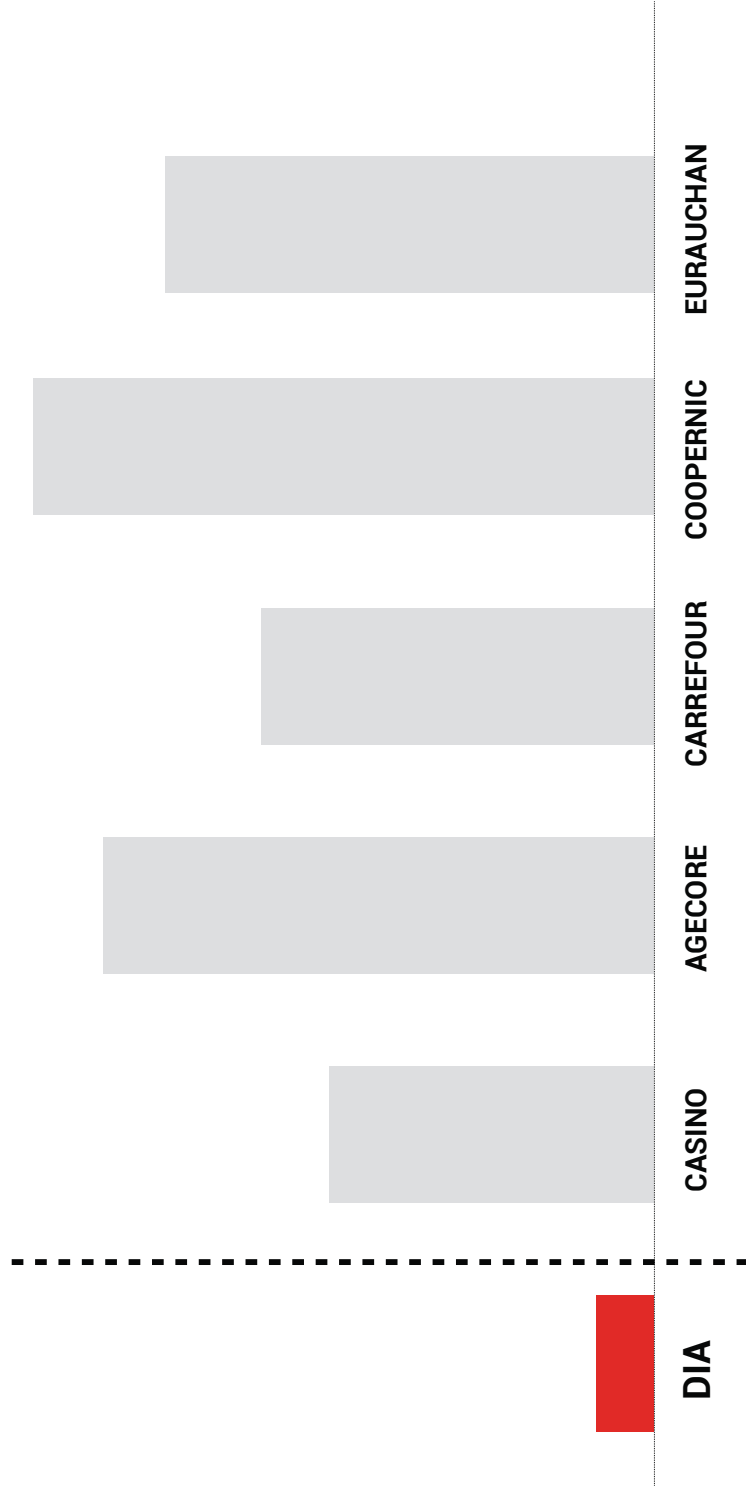
International Negotiation is based on three areas

Strategic
commercial
alliances



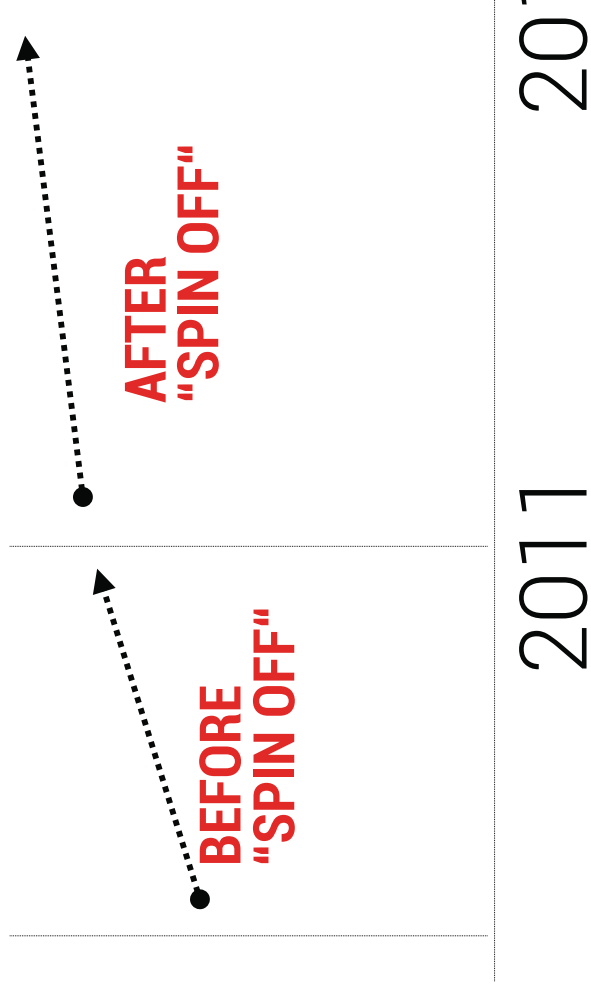
Before 2016, our international dimension was far behind that of other international groups

Strategic commercial alliances



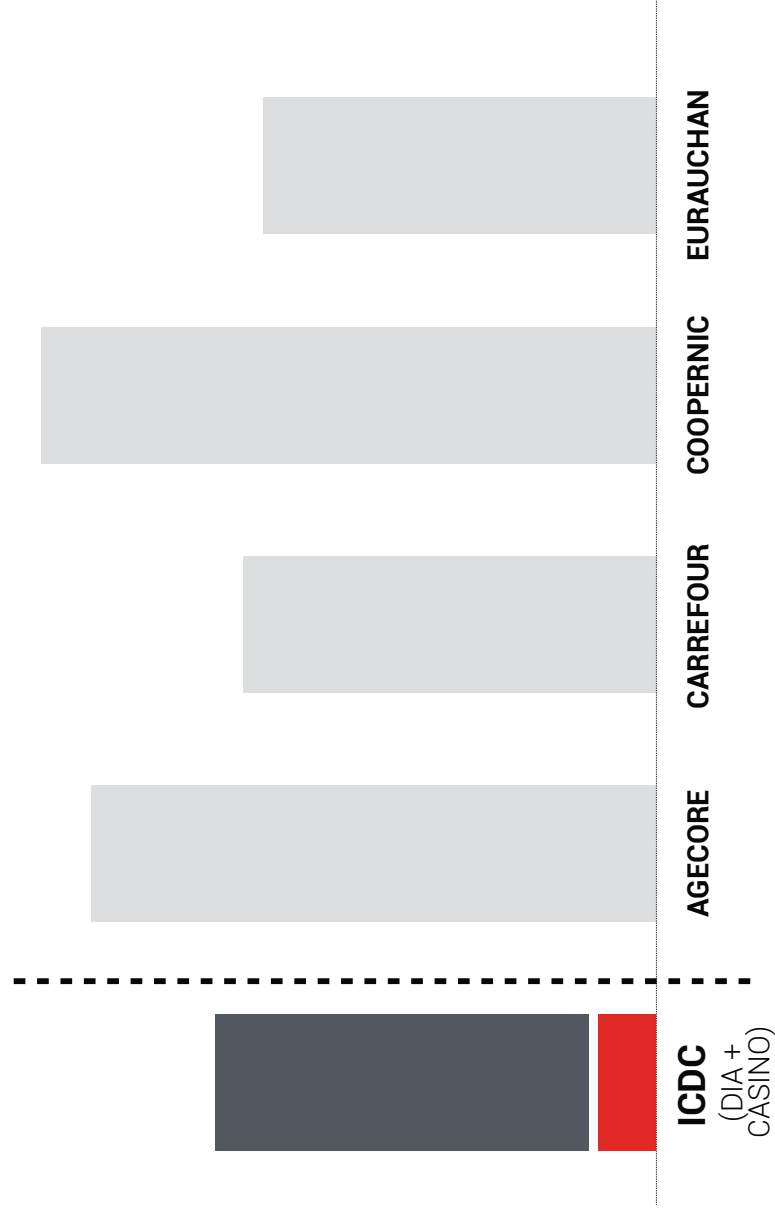
Continuing to improve our international conditions was becoming difficult

Strategic commercial alliances



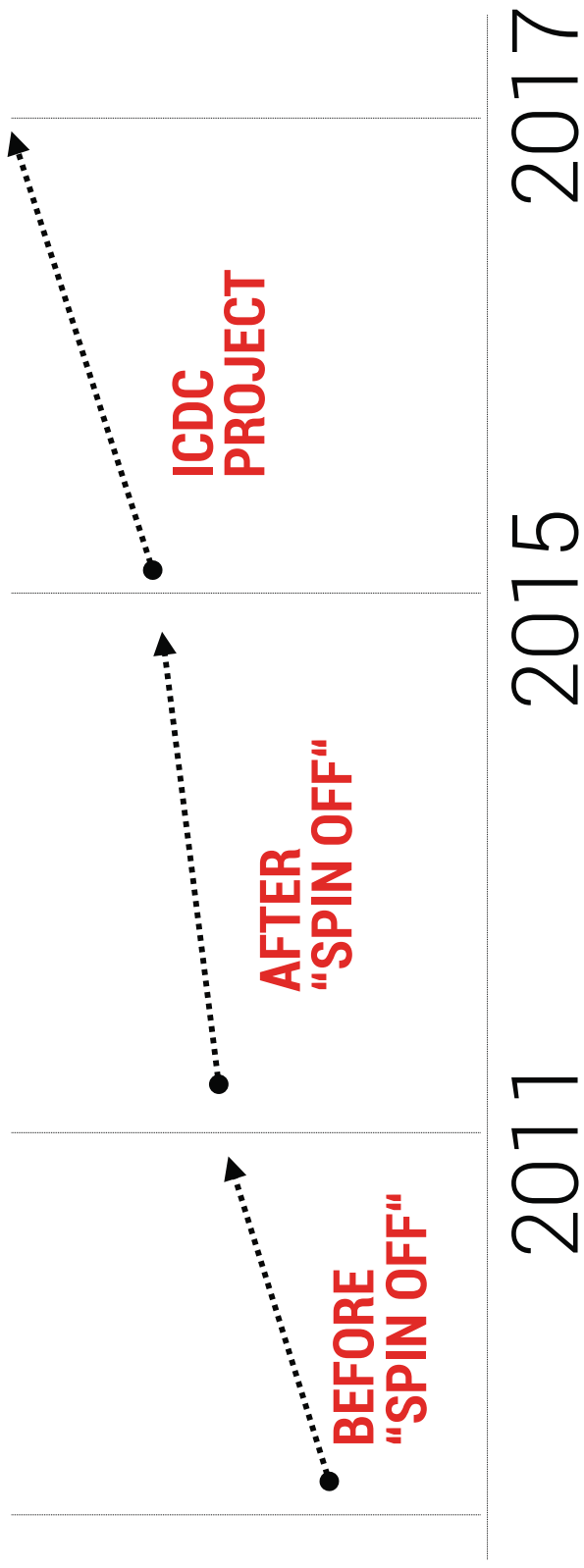
Strategic commercial alliances

Thanks to the "ICDC" Project, we achieved an acceptable relative dimension



From 2016, we again saw significant improvements in our international trading conditions

Strategic commercial alliances



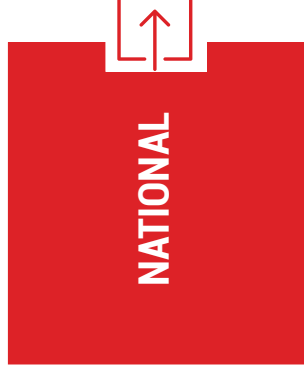
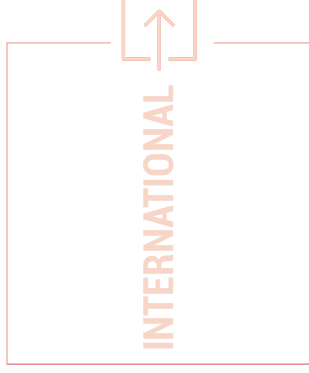
Strategic
commercial
alliances

In addition, since 2016, we have jointly negotiated our private label brands

- **Binomial negotiation with Casino Group**
- **Coordination within "ICDC"**
- **Good results in negotiations**



Strategic
commercial
alliances

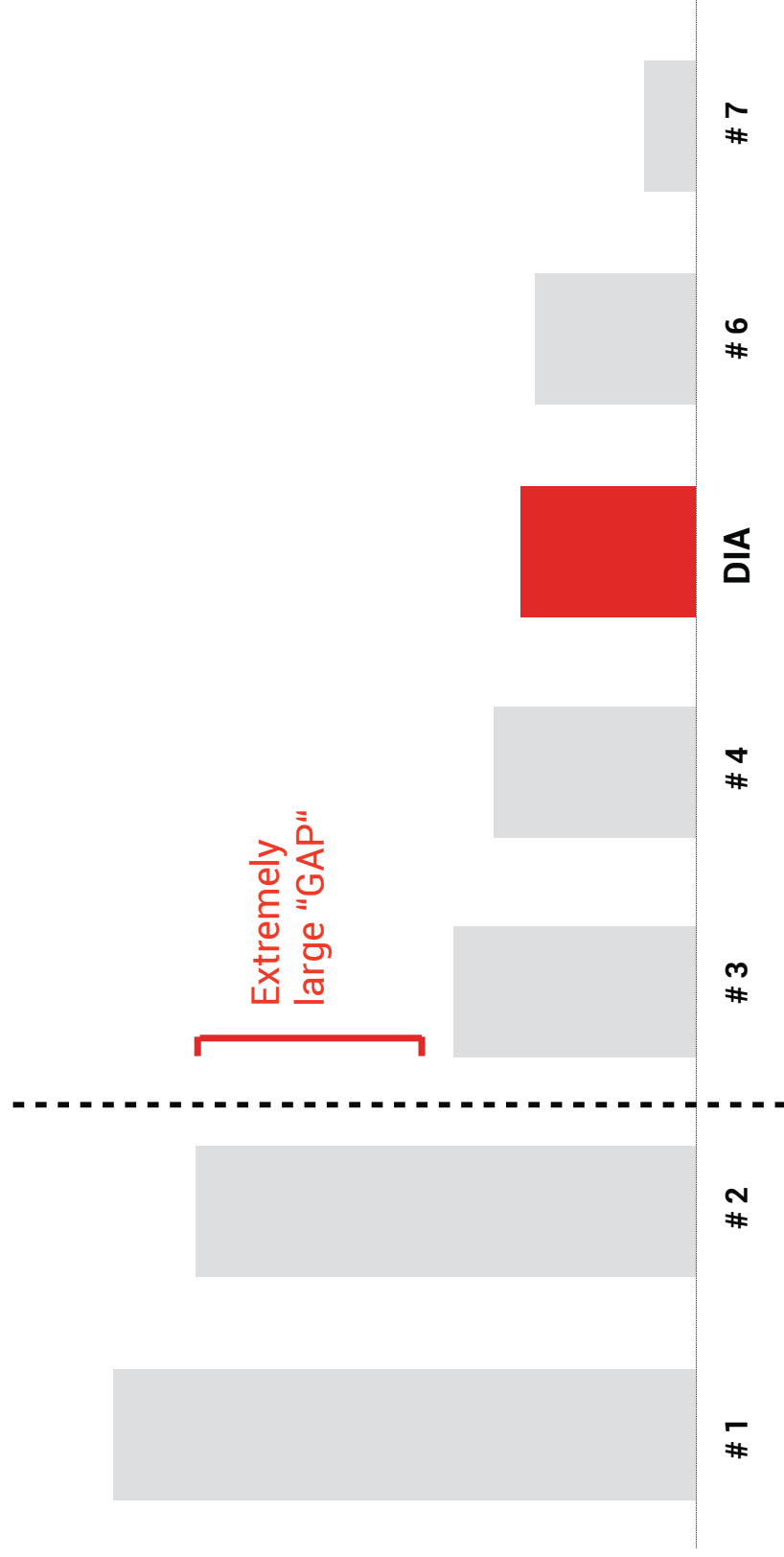


DíA + **Intermarché**



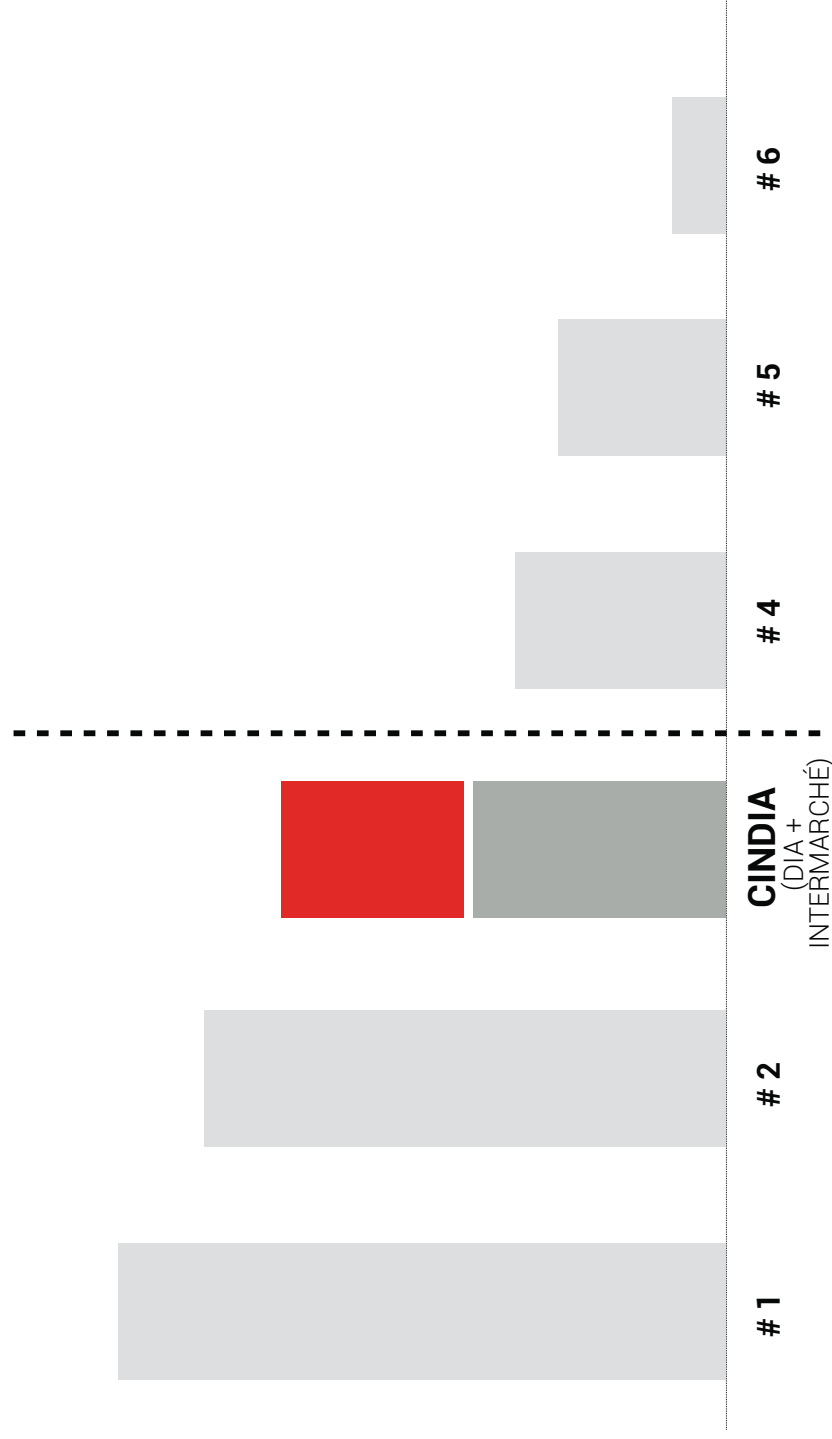
In 2015, the market share situation was not really in our favor

Strategic commercial alliances



With the CINDIA project, the balance versus competitors shifted drastically

Strategic
commercial
alliances

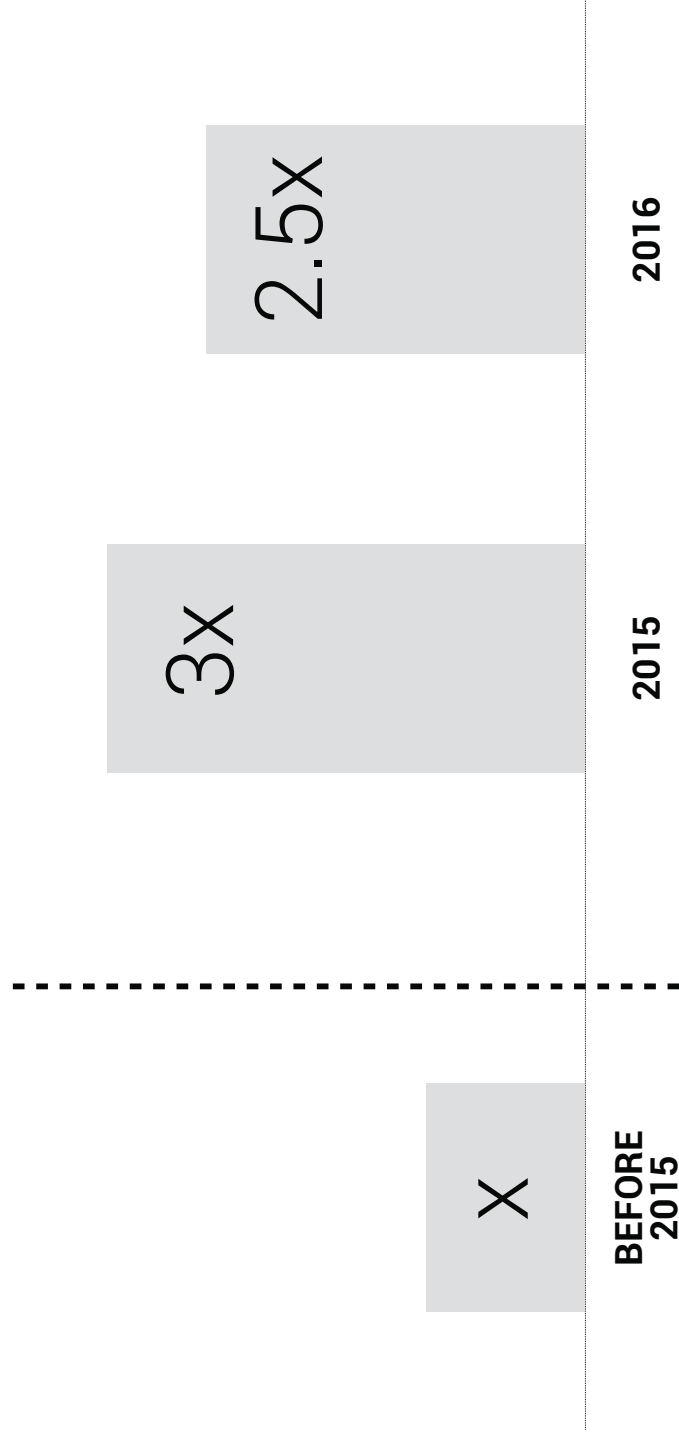


Source: Nielsen, 2015

Before 2015, the market was a highly promotional one, where only two operators benefitted from supplier investments

Strategic
commercial
alliances

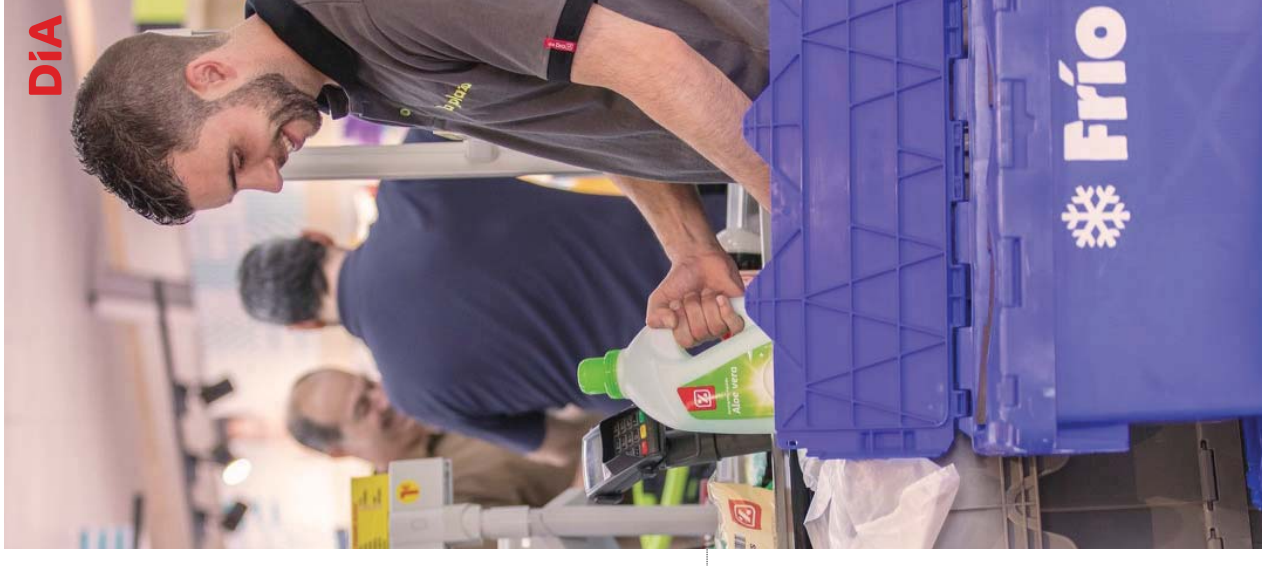
**Annual improvement for DIA Portugal
(National Brand)**



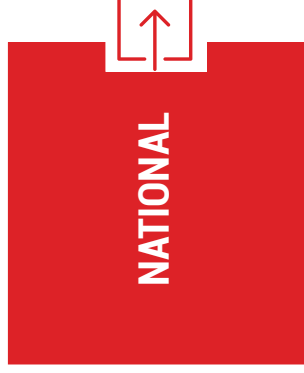
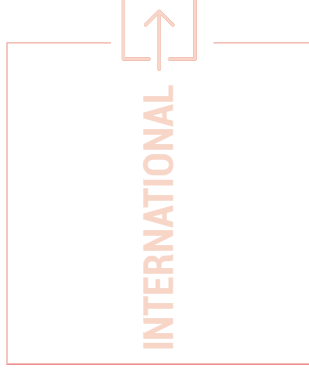
Strategic
commercial
alliances

In 2017 we have extended the perimeter
of the agreement

- **75 suppliers of National Brands**
- **Joint negotiation of private label brand**
- **Purchase of assets and supplies**



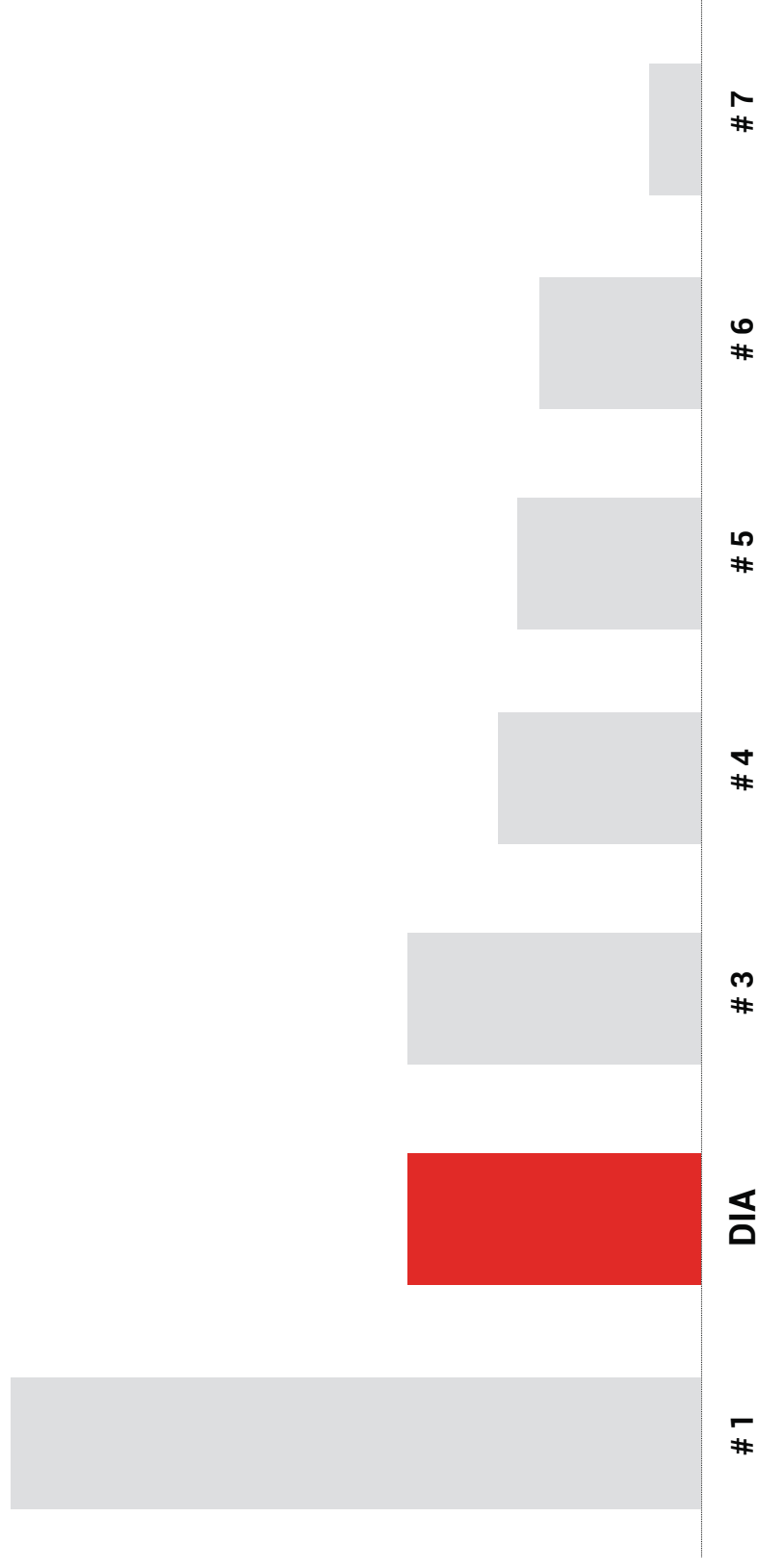
Strategic commercial alliances



DíA +  **EROSKI**

- National brands
- Private Label
- Purchase of Assets and Supplies

The Spanish market did not have a clear number 2 player



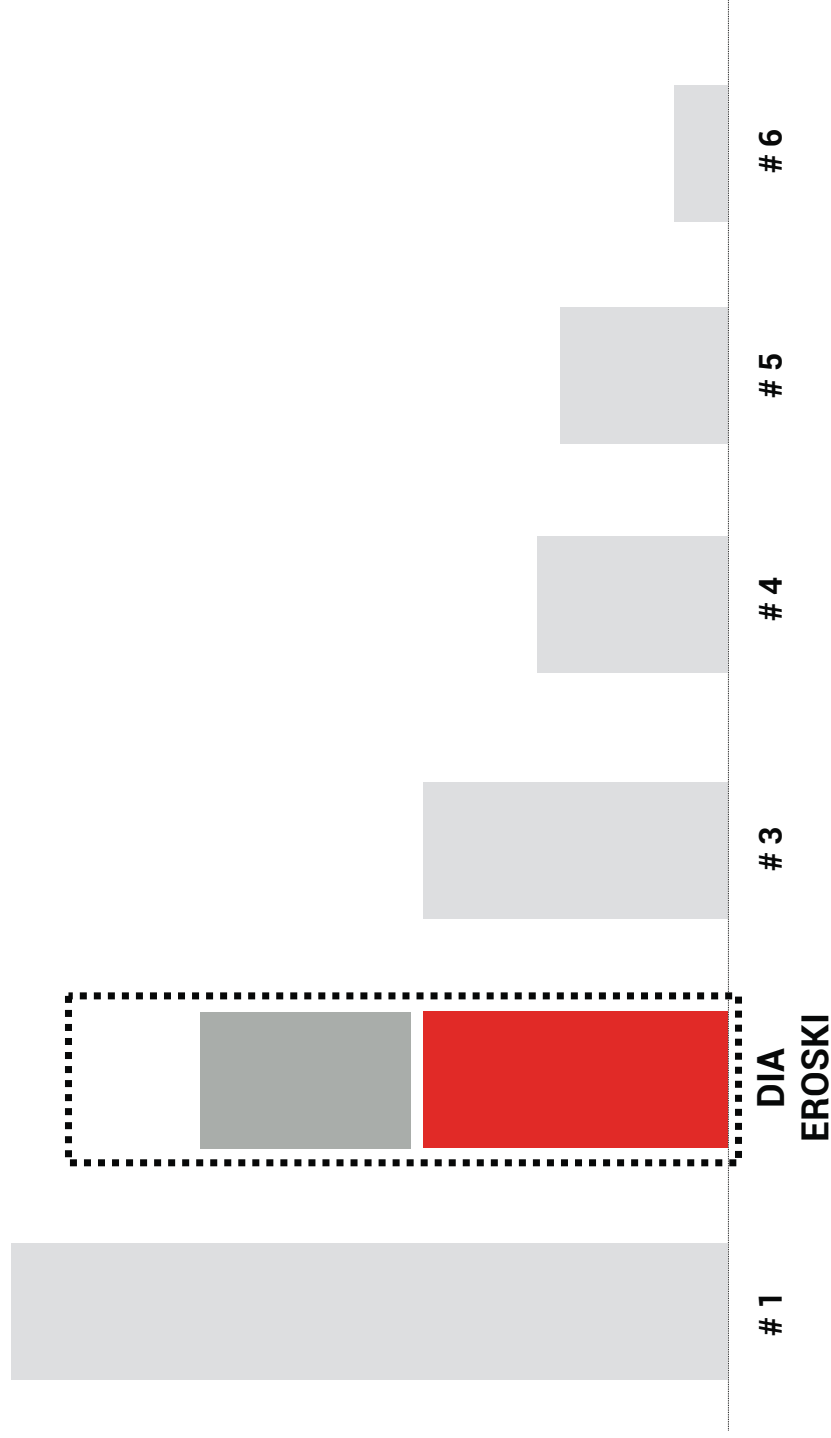
Strategic
commercial
alliances

Source: Kantar, dic. 2015

Strategic commercial alliances

DIA

With the Eroski agreement, DIA became the indisputable number 2 player in the market

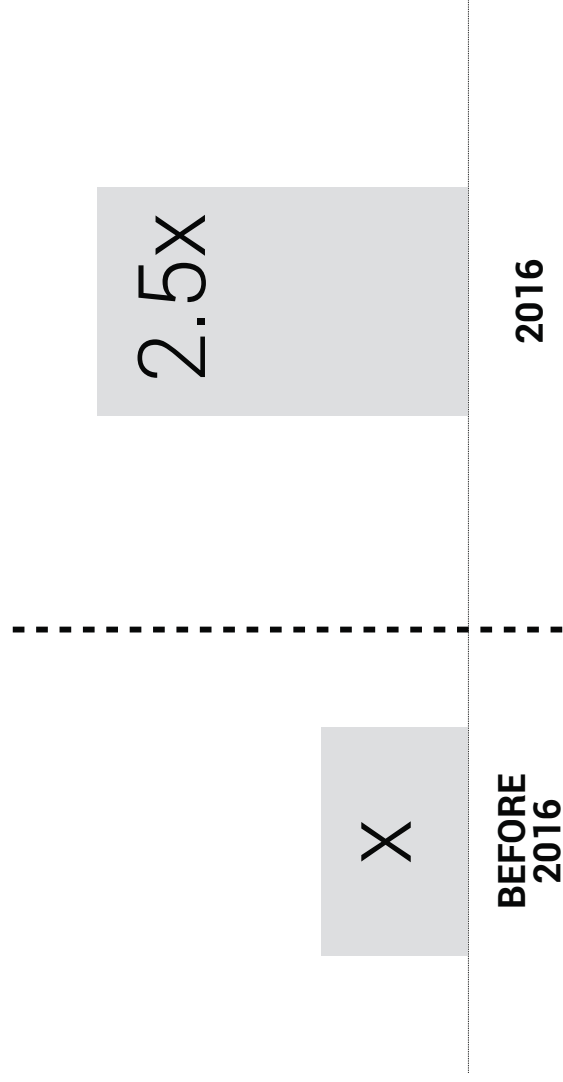


Fuente: Kantar, dic. 2015

In the negotiation of the National Brands we have reached the targets

Strategic
commercial
alliances

**Annual Improvements in
National Brands**



In addition, we developed two additional projects with the Eroski Group:

Strategic
commercial
alliances

“Private Label Brand”

- Potential EUR3bn negotiation volume
- # 2 Indisputed Private Label volume in Spain
- In operation since May 2017, most key synergies already identified

“Assets and Supplies”

- Potential EUR700m negotiated jointly
- In operation since June 2017

Financial efficiency...

...to offer our customers
the best market prices

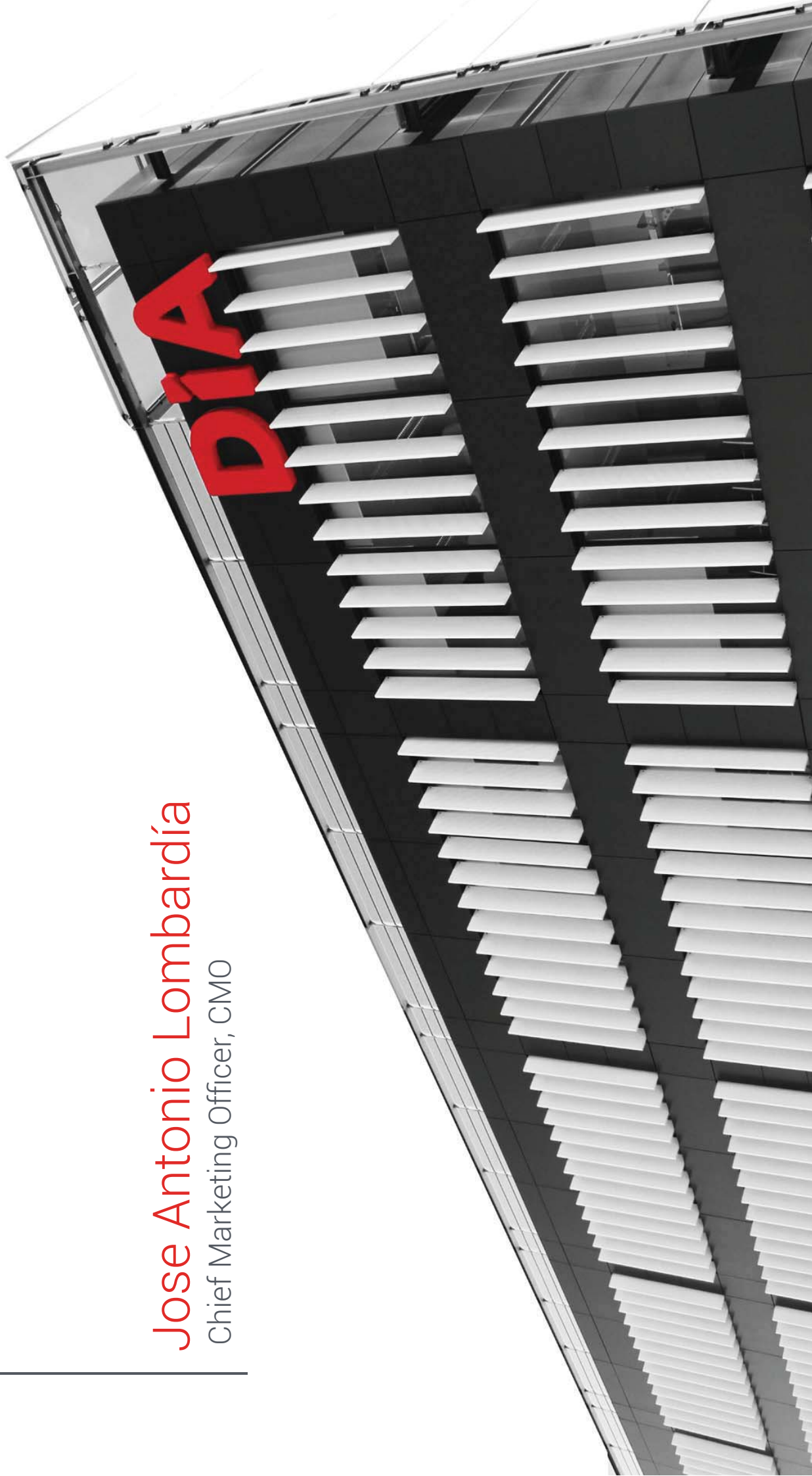
- Reducing all our costs on a permanent basis
- Improving our purchasing terms through strategic commercial alliances

DIA

| 3

rd
CAPITAL
MARKETS DAY
2017 LONDON

Jose Antonio Lombardía
Chief Marketing Officer, CMO





DIA COMMUNITY THE VOICE OF THE CUSTOMER

Where is the Customer in **DIA?**

DIA

The project was born after a cultural change in traditional efficient and productive DIA approach



Cost savings



Productivity



CLIENT

DIA COMMUNITY



What is Super Expert@s?

DIA

An online community that links DIA directly with the customer in order to ask, listen and co create to enrich our processes and decisions with the voice of the customer.

Its main objective is to serve as the voice of the customer in key company decisions

- 1,000 members, buyers of DIA, la Plaza and Clarel but also of competitors
- From 20 to 65 years old
- Representing main targets and lifestyles: empty nesters, drinks, families with kids, adults, single home
- With a continuous renovation of the base to prevent exhaustion and to promote continuous participation

The community



How does it work?

- Access to the community is open to any department in the company that needs to check customer opinion about any issue
 - Consumption and purchase habits. Needs, barriers
 - Pre-test and post test of product launches advertising campaigns
 - Ideas for innovation
 - Design preferences, claims, packaging...
- We combine deep tests with and daily activities
- Depending on the objective, the research technique will vary, from discussion forums, to quick polls, picture stimulus, several choices...
- Results are available from 72h to 3 weeks



Main
projects
tested

DIA

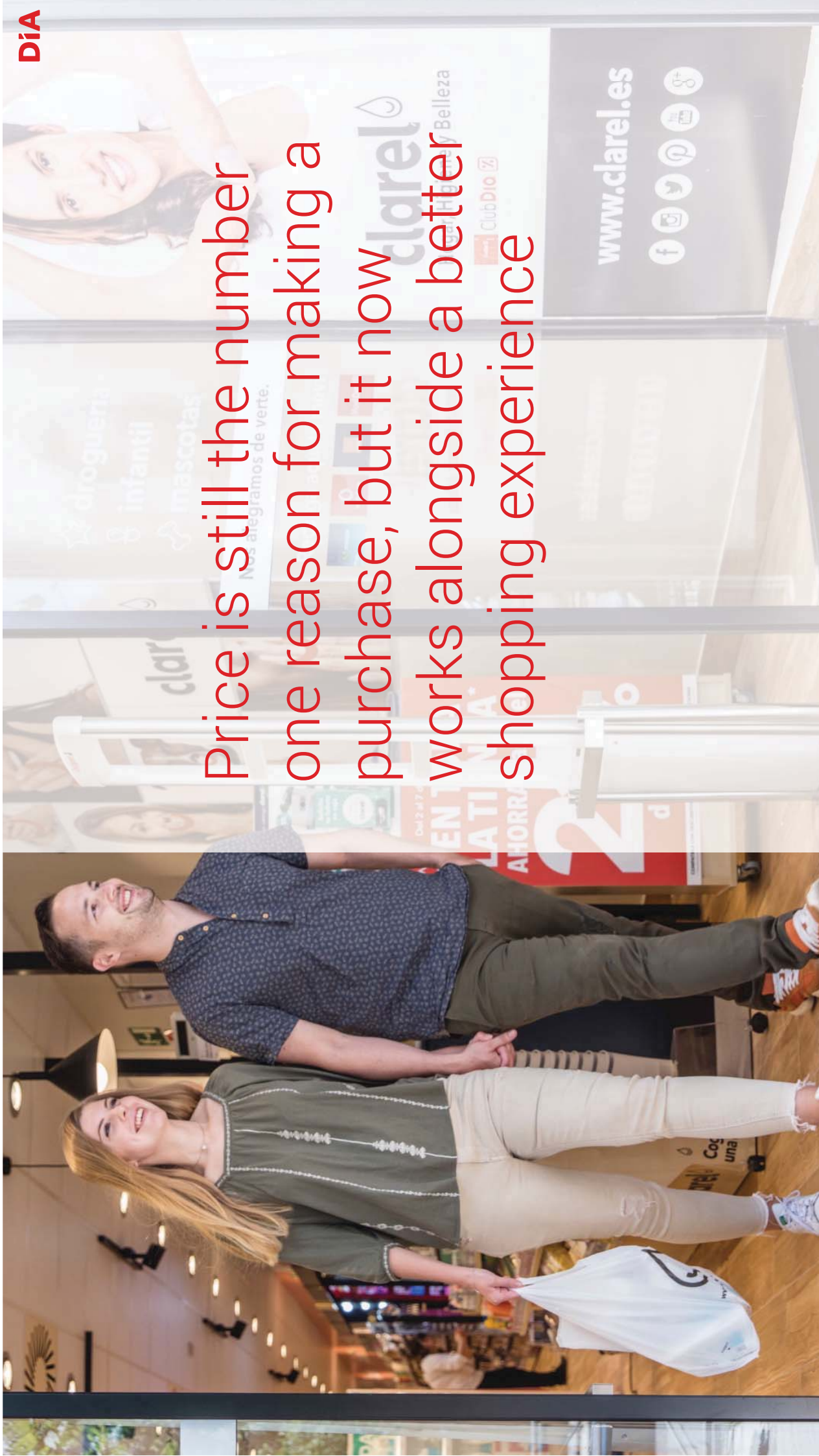
- **DIA and Delicious hero product identification**
- **Private label deep study**
- **DIA App vs Competitors**
- **Delicious advertising campaign**
- **Fruit & Veg**

THE VOICE OF THE CUSTOMER



Retail is no
longer only
about price





Price is still the number one reason for making a purchase, but it now works alongside a better shopping experience

DÍA

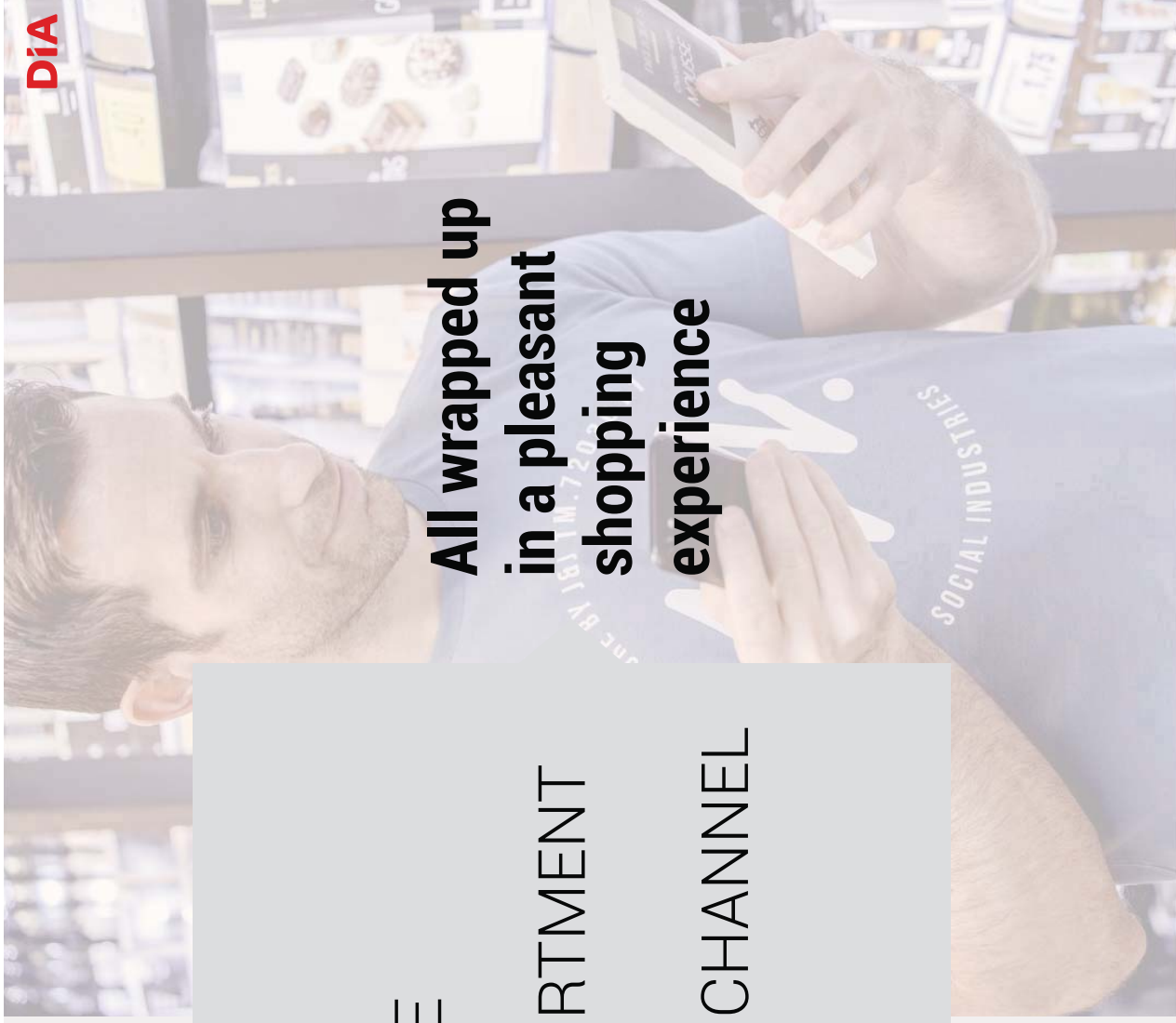
Customers need to feel that they are at the centre of the retailer's strategy, delivering what really matters to them

PRICE

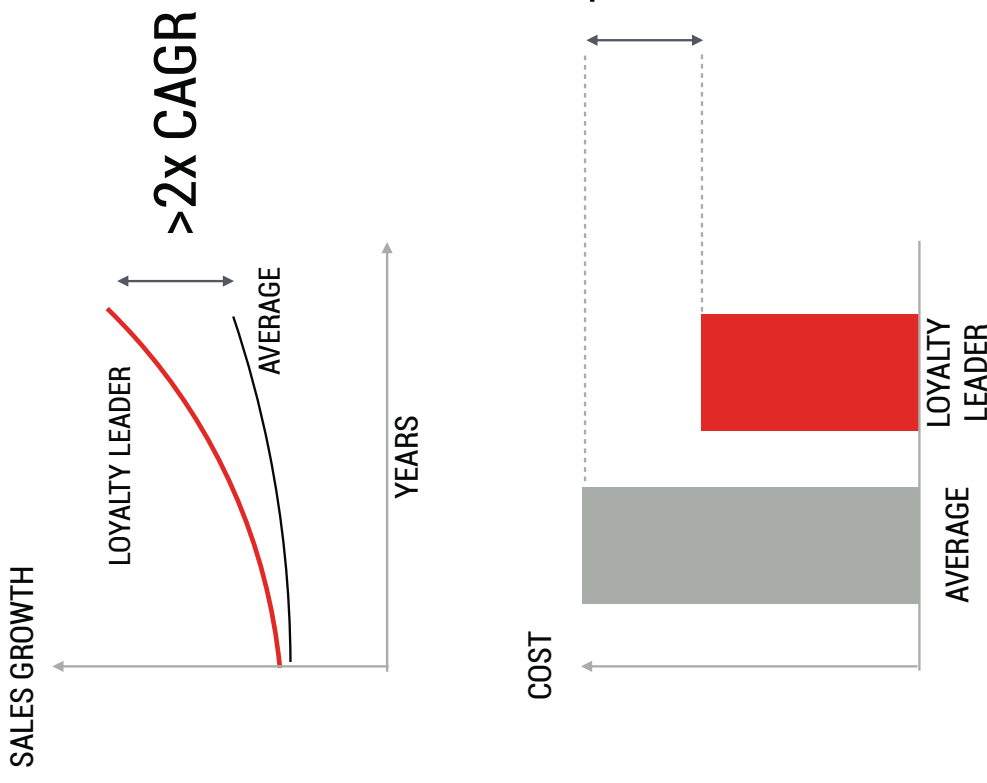
ASSORTMENT

OMNICHANNEL

**All wrapped up
in a pleasant
shopping
experience**



Strong empirical
evidence that
advocacy leaders
enjoy superior
economics



Source Bain & Company

SOME FACTS

Why is the shopping experience so important?

66%

Of consumers switch to competitors due to poor customer service

81%

Of consumers claim that the company could have reacted to avoid this switch

60-70%

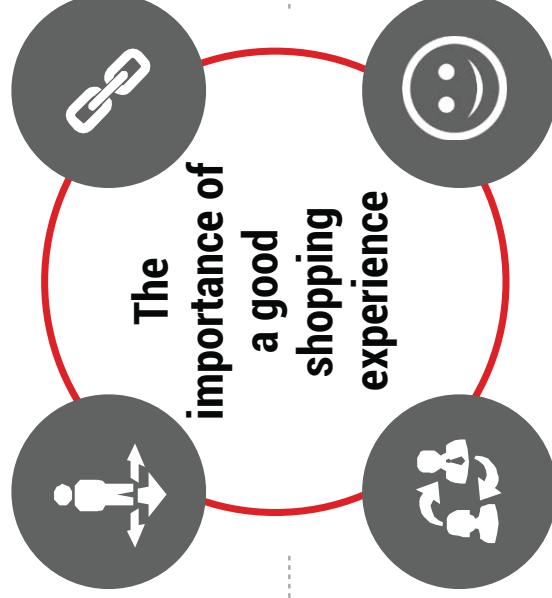
Is the probability of selling to a current customer

While the chance of selling to a new customer is just

5-20%

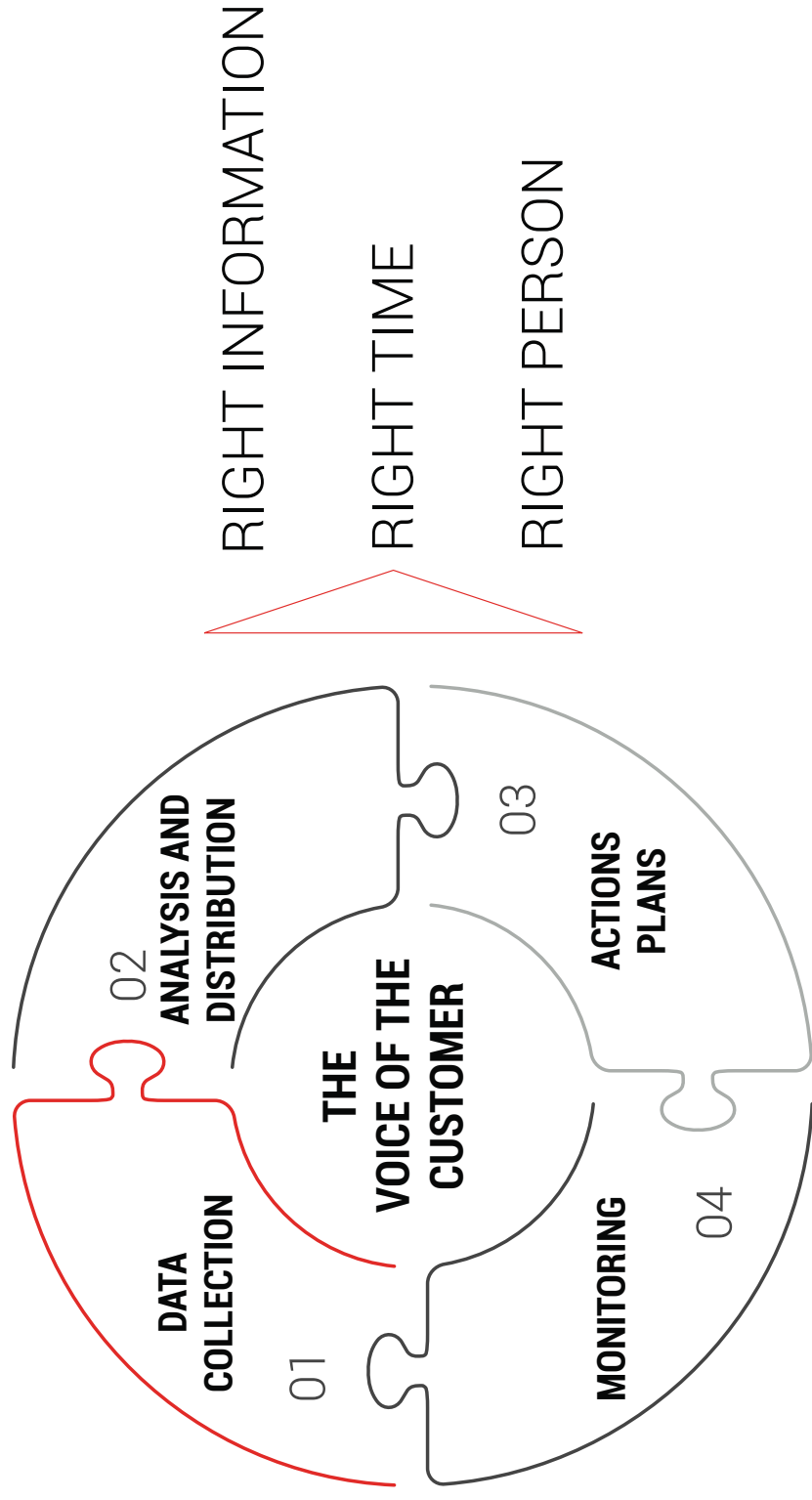
86%

Of customers claim that they are willing to pay more if they get a better service and feel more valued as consumer



* Source: Deloitte Digital

How are we going to manage customer experience at **DIA**?



At **DIA** we do not just measure customer experience, we implement action plans to improve it day by day store by store



The starting point was asking customers and employees

Feedback was collected from more than **1,500 DIA employees**...

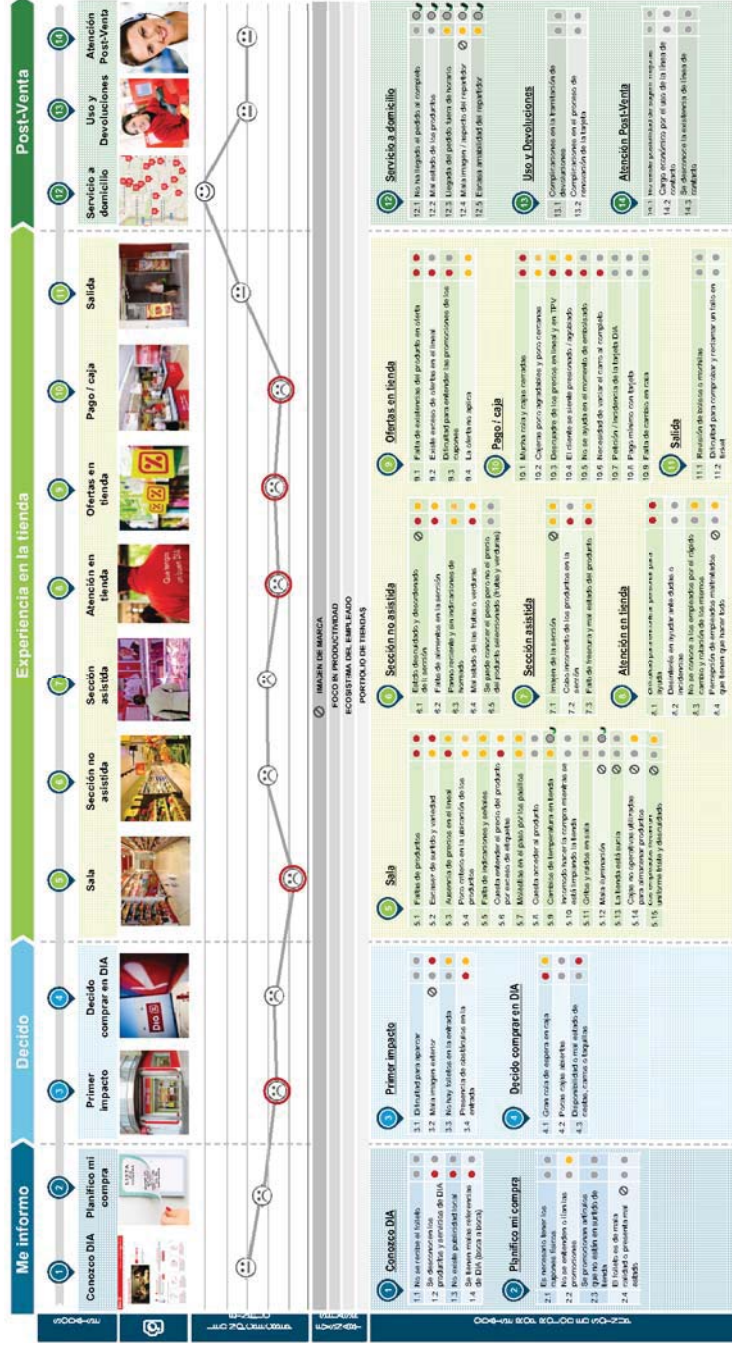
and we held more than **6,000 meetings with customers** to know their opinion about DIA.

This research process helped us to confirm our strengths...

...and identify the areas to improve and define action plans to tackle our weaknesses

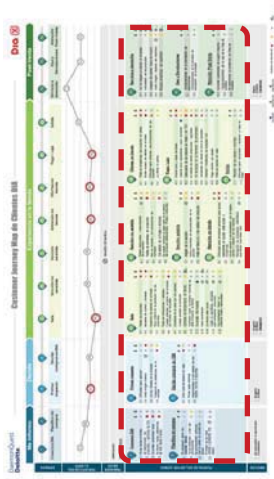


Mapping customer journey and identifying pain points was the following step



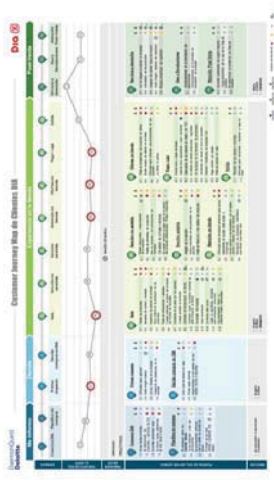
From customer journey to the definition of action plans

CUSTOMER JOURNEY



67 Pain points

PAIN POINTS



10 Pain points selected

QUICK-WINS SELECTIONS



55 > 15 Initiatives finally chosen

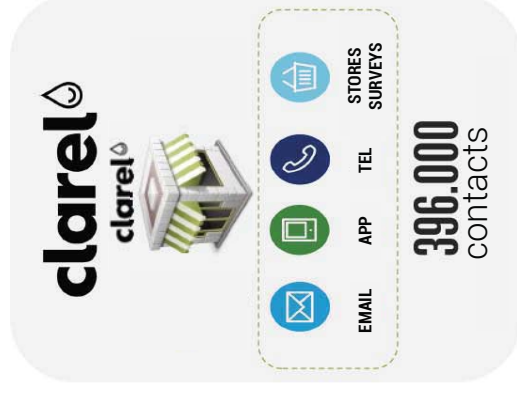
ENFORCING NEW INITIATIVES



15 Actions reports

Full implementation expected before 2017 year-end

The Voice of the Customer project has been launched successfully in Spain already at DIA, e-Commerce and La Plaza stores and will be followed by Clarel. Argentina, Brazil and Portugal are already working with the same structure to implement the system soon.



- Qualtrics measurement
- Real time, one by one in each of the **DIA stores**
- Direct involvement of store supervisors
- Customer experience information flow in real time across all the organization

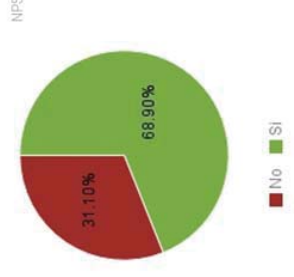


Customer experience

DÍA

OOS Reduction

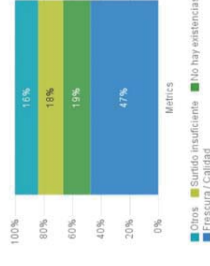
- Easy & Efficient Project
- 3 days of stock guaranteed
- Reduced assortment in new Maxi4 and Mkt4
- New promotional areas in the stores



Fresh Products

- Bakery assortment review
- Upgraded baking protocols
- Better fruit & Vegetables presentation in store
- F&V as driver for quality perception

Estado del pan: Motivo valoración negativa



Estado de la fruta: Motivo valoración negativa



Employees

- "Client Attitude" initiative
- Reinforced franchise training
- Hard detractors management
- Bonus objective related

Atención del personal: Motivo valoración negativa

