

28 July 2014

RESULTS

# Q2 2014



## HIGHLIGHTS

- / Underlying net profit grew by 5.3% in H1 2014 to EUR102.5m (6.6% at local currency).
- / On 20 June, DIA announced the signing of a put option and exclusivity agreement with Carrefour to acquire the entire share capital of DIA France at an enterprise value of EUR600m.
- / On 2 July, DIA announced the agreement to purchase 100% of the shares of El Arbol, a proximity supermarkets company in Spain.
- / On 10 July, DIA notified the issue of a note worth EUR500m and 5 years maturity. The note will pay an annual coupon of 1.50%, and was issued at a price of 99.419% (re-offer yield of 1.622%).
- / In Q2 2014, gross sales under banner increased by 8.0% in local currency, although the figure in Euros declined 2.7% hit by the depreciation of the Argentinian Peso and Brazilian Real.
- / Like-for-like sales growth (ex-currency) reached 2.9% in Q2 2014, with Emerging Markets increasing same-store sales by 20.5%.
- / Adjusted EBITDA in Q2 2014 amounted to EUR136.2m, 3.4% up in local currency with an 11 bp margin expansion. In local currency, adjusted EBIT grew by 3.7% in Q2 2014.
- / At the end of June 2014, DIA operated 6,598 stores, totalling 111 net openings in Q2 2014 and 407 over the last twelve months (of which 95 under the Schlecker/Clarel banner). Franchised stores already represent 53.3% of the DIA stores format.
- / Capex amounted to EUR150.9m in the first half of 2014, of which EUR60.6m were allocated to openings (+23% vs. H1 2013). In H1 2014, investments in Emerging Markets increased by 32% in local currency.
- / Financial leverage stood at a 1.6x net debt/adjusted EBITDA ratio, with EUR933m of total net debt at the end of June 2014. On 30 June 2014, the pro-forma leverage ratio, taking into account the completion of the disposal of DIA France and the acquisition of El Arbol, would have been 0.9x.

## FINANCIAL SUMMARY

(EURm)	Q2 2013 <sup>(1)</sup>	Q2 2014 <sup>(2)</sup>	INC	INC w/o FX
Gross sales under banner	2,363.0	2,299.3	-2.7%	8.0%
Net sales	2,020.1	1,961.0	-2.9%	7.3%
Adjusted EBITDA <sup>(3)</sup>	138.2	136.2	-1.4%	3.4%
Adjusted EBITDA margin	6.84%	6.95%	11 bp	-
Adjusted EBIT <sup>(3)</sup>	92.3	91.7	-0.7%	3.7%
Adjusted EBIT margin	4.57%	4.67%	11 bp	-
Net attributable profit	33.4	200.9	502.4%	504.5%
Underlying net profit	60.8	62.4	2.6%	4.2%
Net debt	713.8	932.9	30.7%	-
Net debt / LTM adjusted EBITDA	1.3x	1.6x	-	-

(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

*“In recent weeks, we successfully completed two very important transactions for the future of DIA: the sale of DIA France to Carrefour and the acquisition of El Arbol in Spain. These transactions are perfectly in line with our strategy of concentrating our efforts in markets where we can generate the best returns. Both transactions are pending the final approval of antitrust authorities, and in the case of El Arbol, it will reinforce our position as leaders in price and proximity in our most important market. Additionally, I would like to highlight our successful debut in the capital markets with the EUR500m and five years maturity note issued at the lowest coupon ever for a Spanish corporate. This is proof of the confidence in DIA, and it will help us improve our funding for the coming years.*

*The second quarter of 2014 has shown an improving trend in terms of LFL sales, both in Iberia and Emerging markets, adjusting for the calendar effect. This is a great achievement in a very deflationary environment across Europe. Deflation has been especially strong in Spain, where the total food retail market decreased by 4% compared with Q2 2013. Although we expect deflation trends to remain in the third quarter, we foresee some improvements for the last quarter of the year.*

*Despite deflation, the calendar effect and the adverse currency scenario, the company's EBITDA reflected a solid pattern in Iberia and Emerging Markets. Our teams have once again proven their ability to rapidly adapt the cost structure amid a steeply declining food price scenario, and we have been able to invest as never before to reduce selling prices and launch better promotions, while keeping our profitability margins at very healthy levels.*

*In addition, we are experiencing faster growth in Iberia and more rapid expansion in Emerging Markets, where we are opening more stores than ever. These dynamics should undoubtedly be reflected in steady share gains in our markets”*

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In accordance with IFRS 5, DIA presents the segment of France as discontinued operations and its assets and liabilities as “held for sale”. Since January 1<sup>st</sup> 2014 net income from this activity is presented in the “net income from discontinued operations” line and the figures of 2013 have been re-expressed accordingly for the sake of comparability. The assets and liabilities of DIA France are presented under separate lines of the group’s statement of financial position, without restatement for previous periods.

## 1 / Q2 2014 RESULTS

While gross sales in Q2 2014 grew by 8.0% in local currency, sales were again hit by the strong depreciation of the Argentinean Peso (-38%) and the Brazilian Real (-12%). In Euros, gross sales under banner slid by 2.7% to EUR2.30bn. The calendar effect in this quarter was negative both in Iberia (due to different Easter seasonality) and emerging markets (one additional bank holiday day in Brazil).

While gross margin was stable in Q2 2014 versus last year, at 21.5%, this ratio is also affected by currency depreciation. At constant currency rates, gross margin declined by 50 bp in Q2 2014.

Adjusted EBITDA in Q2 2014 decreased by 1.4% in Euros to EUR136.2m (+3.4% ex-currency), which implies an 11 bp margin increase to 6.9%. The adjusted EBIT was EUR91.7m in Q2 2014, 3.7% up in local currency.

At the bottom line, net attributable profit rose sixfold to EUR200.9m thanks to EUR147.7m of net income related to the disposal of DIA France, which includes the update of the mark-to-market valuation exercise carried out on DIA France and their corresponding tax impact.

The effective tax rate declined from 27.0% of the re-expressed figures of Q2 2013 to 23.7% in Q4 2014, namely due to the reversion of some tax provisions.

## Q2 2014 RESULTS

(EURm)	Q2 2013 <sup>(1)</sup>	%	Q2 2014 <sup>(2)</sup>	%	INC	INC w/o FX
Gross sales under banner	2,363.0		2,299.3		-2.7%	8.0%
Net sales	2,020.1	100.0%	1,961.0	100.0%	-2.9%	7.3%
Cost of sales & other income	(1,584.9)	-78.5%	(1,539.2)	-78.5%	-2.9%	8.0%
Gross profit	435.2	21.5%	421.8	21.5%	-3.1%	4.8%
Labour costs	(161.0)	-8.0%	(156.3)	-8.0%	-2.9%	6.1%
Other operating expenses	(77.2)	-3.8%	(71.2)	-3.6%	-7.7%	5.6%
Real estate rents	(58.8)	-2.9%	(58.1)	-3.0%	-1.3%	3.4%
OPEX	(297.0)	-14.7%	(285.6)	-14.6%	-3.8%	5.5%
Adjusted EBITDA <sup>(3)</sup>	138.2	6.8%	136.2	6.9%	-1.4%	3.4%
D&A	(45.9)	-2.3%	(44.5)	-2.3%	-2.9%	2.7%
Adjusted EBIT <sup>(3)</sup>	92.3	4.6%	91.7	4.7%	-0.7%	3.7%
Non-recurring items	(8.0)	-0.4%	(12.3)	-0.6%	53.5%	57.2%
EBIT	84.3	4.2%	79.4	4.0%	-5.8%	-1.4%
Net financial income/expenses	(9.4)	-0.5%	(9.6)	-0.5%	1.9%	28.6%
Associate companies	0.0	0.0%	0.0	0.0%	-	-
EBT	74.9	3.7%	69.8	3.6%	-6.8%	-5.1%
Income taxes	(20.2)	-1.0%	(16.5)	-0.8%	-18.1%	-15.5%
Consolidated profit	54.7	2.7%	53.2	2.7%	-2.6%	-1.3%
Net income from discontinued op.	(30.2)	-1.5%	147.7	7.5%	-	-
Minority interests	(8.9)	-0.4%	0.0	0.0%	-	-
Net attributable profit	33.4	1.7%	200.9	10.2%	502.4%	504.5%
Underlying net profit	60.8	3.0%	62.4	3.2%	2.6%	4.2%

(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 Q2 2014 amounted to EUR12.3m, EUR4.3m more than the same period last year. The increase in "Restructuring costs & other" was namely related to LTIP plans approved at the last AGM and some exceptional costs associated with the transformation of stores.

## NON-RECURRING ITEMS

(EURm)	Q2 2013 <sup>(1)</sup>	%	Q2 2014 <sup>(2)</sup>	%	INC
Restructuring costs & other	(5.5)	-0.3%	(10.3)	-0.5%	88.5%
Impairment	0.0	0.0%	(0.0)	-0.0%	-230.7%
Gains/losses on disposal of assets	(2.6)	-0.1%	(2.0)	-0.1%	-21.8%
Total non-recurring items	(8.0)	-0.4%	(12.3)	-0.6%	53.5%

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

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

## 2 / H1 2014 RESULTS

Gross sales under banner reached EUR4.4bn in H1 2014, down 2.4% in Euros but implying an 8.7% increase in local currency. The sharp depreciation of the Argentinian Peso and the Brazilian Real during 2014 was reflected in eleven percentage points of absolute effect on sales growth. Adjusted EBITDA rose by 0.7% to EUR245.5m (+5.7% in local currency) with a 21 bp margin expansion to 6.5%. The adjusted EBIT was EUR156.2m in H1 2014, a 1.9% rise in Euros and 6.4% up in local currency.

At the bottom line, net attributable profit more than quadrupled in H1 2014 (from EUR49.0m to EUR211.3m) due to the EUR123.2m net income from discontinued operations accounted. The effective tax rate was set at 25.7%, somewhat below with tax rate of the re-expressed H1 2013 figures.

### H1 2014 RESULTS

(EURm)	H1 2013 <sup>(1)</sup>	%	H1 2014 <sup>(2)</sup>	%	INC	INC w/o FX
Gross sales under banner	4,544.7		4,434.8		-2.4%	8.7%
Net sales	3,890.3	100.0%	3,788.9	100.0%	-2.6%	8.1%
Cost of sales & other income	(3,065.2)	-78.8%	(2,975.4)	-78.5%	-2.9%	8.5%
Gross profit	825.1	21.2%	813.5	21.5%	-1.4%	6.8%
Labour costs	(314.6)	-8.1%	(312.0)	-8.2%	-0.8%	8.4%
Other operating expenses	(150.7)	-3.9%	(139.8)	-3.7%	-7.2%	6.8%
Real estate rents	(115.9)	-3.0%	(116.2)	-3.1%	0.2%	5.1%
OPEX	(581.2)	-14.9%	(568.0)	-15.0%	-2.3%	7.3%
Adjusted EBITDA <sup>(3)</sup>	243.9	6.3%	245.5	6.5%	0.7%	5.7%
D&A	(90.5)	-2.3%	(89.2)	-2.4%	-1.4%	4.5%
Adjusted EBIT <sup>(3)</sup>	153.4	3.9%	156.2	4.1%	1.9%	6.4%
Non-recurring items	(16.2)	-0.4%	(19.0)	-0.5%	17.3%	20.3%
EBIT	137.2	3.5%	137.3	3.6%	0.0%	4.7%
Net financial income/expenses	(13.1)	-0.3%	(18.7)	-0.5%	42.7%	78.8%
Associate companies	0.0	0.0%	0.0	0.0%	-	-
EBT	124.1	3.2%	118.6	3.1%	-4.4%	-3.1%
Income taxes	(36.4)	-0.9%	(30.5)	-0.8%	-16.1%	-14.2%
Consolidated profit	87.7	2.3%	88.1	2.3%	0.4%	1.5%
Net income from discontinued op.	(52.0)	-1.3%	123.2	3.3%	-337.1%	-337.0%
Minority interests	(13.2)	-0.3%	0.0	0.0%	-	-
Net attributable profit	49.0	1.3%	211.3	5.6%	331.2%	333.4%
Underlying net profit	97.3	2.5%	102.5	2.7%	5.3%	6.6%

(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 EUR19.0m in H1 2014, of which EUR15.8m corresponding to restructuring costs and other (32.8% higher than H1 2013).

### NON-RECURRING ITEMS

(EURm)	H1 2013 <sup>(1)</sup>	%	H1 2014 <sup>(2)</sup>	%	INC
Restructuring costs & other	(11.9)	-0.3%	(15.8)	-0.4%	32.8%
Impairment	0.0	0.0%	0.1	0.0%	2110.0%
Gains/losses on disposal of assets	(4.3)	-0.1%	(3.3)	-0.1%	-23.3%
<b>Total non-recurring items</b>	<b>(16.2)</b>	<b>-0.4%</b>	<b>(19.0)</b>	<b>-0.5%</b>	<b>17.3%</b>

(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 5.3% in H1 2014 to EUR102.5m (+6.6% ex-currency). The growth gap existing between net attributable profit and underlying net profit is fully explained by the different contribution of other financials (equity swap namely), discontinued operations (including minorities) and corporate taxes.

### UNDERLYING NET PROFIT

(EURm)	H1 2013 <sup>(1)</sup>	H1 2014 <sup>(2)</sup>	INC
Net attributable profit	49.0	211.3	331.2%
Non-recurring items	16.2	19.0	17.3%
Other financials	(2.5)	1.4	-156.0%
Discontinued operations	38.8	(123.2)	-417.5%
Taxes	(4.0)	(6.0)	50.0%
<b>UNDERLYING NET PROFIT</b>	<b>97.3</b>	<b>102.5</b>	<b>5.3%</b>

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

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

As of 30 June 2014, DIA held 5,566,698 shares as treasury stock (0.86% of the capital) at an average price of EUR3.951/share. This stake is maintained in the balance sheet to cover the potential distribution of shares related to the execution of the 2011-14 long-term incentive plan approved at the AGM held in 2012.

### TREASURY STOCK & EPS

	H1 2013	H1 2014	INC
Number of shares outstanding	679,336,000	651,070,558	-4.2%
Average number of treasury shares	32,346,424	5,590,276	-82.7%
End of period number of treasury shares	34,222,791	5,566,698	-83.7%
<b>WEIGHTED AVERAGE NUMBER OF SHARES</b>	<b>646,989,576</b>	<b>645,480,282</b>	<b>-0.2%</b>
Reported EPS	€0.076	€0.327	330.3%
Underlying EPS	€0.150 <sup>(1)</sup>	€0.157 <sup>(2)</sup>	4.6%

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

(2) Calculation made on the basis of 651,070,558 shares as the entire treasury stock held is linked to the LTIP

### 3 / WORKING CAPITAL & NET DEBT

DIA's negative trade working capital at the end of June 2014 was EURO.72bn, an 18.0% decrease versus the same date last year. This decline is namely explained by the different timing of the closing day of H1 2014 versus H1 2013 (a Monday instead of a Sunday) and the translation effect of the negative trade working capital held in emerging markets.

#### WORKING CAPITAL

(EURm)	H1 2013 <sup>(1)</sup>	H1 2014 <sup>(2)</sup>	INC
Inventories	438.7	471.3	7.4%
Trade & other receivables	192.8	232.8	20.8%
Trade & other payables	(1,512.3)	(1,426.1)	-5.7%
<b>Trade working capital</b>	<b>(880.8)</b>	<b>(722.0)</b>	<b>-18.0%</b>

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

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

At the end of Q2 2014, DIA's net debt was EUR932.9m. Net debt was affected by the negative working capital performance, the EUR42m settlement of VAT claims in France already provisioned, the EUR22m cash-out from the purchase of warehouse in Portugal that was previously leased and EUR12m from the depreciation of net cash held in emerging markets.

The EUR932.9m amount of net debt is reflected in a net debt to LTM adjusted EBITDA ratio of 1.6x. This leverage ratio is not comparable with those disclosed by the company in 2013 due to the discontinuation of France. The change carried out in the perimeter of continuous activities removes the adjusted EBITDA generated in France but does not change the net debt figure, as almost all of the French subsidiary's debt will be consolidated until the closing of the disposal. In this regard, on 30 June 2014 the pro-forma leverage ratio taking into account the completion of the disposal of DIA France and the acquisition of El Arbol would have been 0.9x.

#### NET DEBT

(EURm)	H1 2013 <sup>(1)</sup>	H1 2014 <sup>(2)</sup>	INC
<i>Long-term debt</i>	<i>759.3</i>	<i>652.8</i>	<i>-14.0%</i>
<i>Short-term debt</i>	<i>206.5</i>	<i>410.7</i>	<i>98.9%</i>
Total debt	965.8	1,063.5	10.1%
Cash & cash equivalents	(251.9)	(130.6)	-48.2%
<b>Net debt</b>	<b>713.8</b>	<b>932.9</b>	<b>30.7%</b>
<b>Net debt / LTM adjusted EBITDA</b>	<b>1.3x</b>	<b>1.6x</b>	<b>22.1%</b>

(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

Excluding the DIA stores in France, at the end of June 2014 DIA operated 6,598 stores. This total number represents the opening of 407 new stores over the last twelve months, of which 312 correspond to DIA and 95 to Schlecker/Clarel. At the end of June 2014, a total of 458 stores were already operating under the new Clarel banner.

The total number of franchised DIA stores (COFO and FOFO) increased by 626 stores over the last twelve months from 2,260 to 2,886. In line with that, the contribution of franchised stores represents 53.3% of the DIA network and 2% of Schlecker/Clarel. At the end of H1 2014, 43.7% of the group stores were operated under the COFO or FOFO models, 7.2 percentage points more than twelve months ago.

### NUMBER OF STORES BY FORMAT AND OPERATIONAL MODEL

	H1 2013 <sup>(1)</sup>	%	H1 2014 <sup>(2)</sup>	%	CHANGE
DIA Urban	327	10.5%	242	8.4%	-85
DIA Market	1,670	53.4%	1,432	49.8%	-238
Schlecker/Clarel	1,130	36.1%	1,200	41.8%	70
<b>DIA Market &amp; Schlecker/Clarel</b>	<b>3,127</b>	<b>79.5%</b>	<b>2,874</b>	<b>77.4%</b>	<b>-253</b>
DIA Parking	27	3.4%	8	1.0%	-19
DIA Maxi	777	96.6%	830	99.0%	53
<b>DIA Parking &amp; Maxi</b>	<b>804</b>	<b>20.5%</b>	<b>838</b>	<b>22.6%</b>	<b>34</b>
<b>Total DIA COCO stores</b>	<b>3,931</b>	<b>63.5%</b>	<b>3,712</b>	<b>56.3%</b>	<b>-219</b>
FOFO	1,373	60.8%	1,445	50.1%	72
COFO	887	39.2%	1,416	49.1%	529
Schlecker/Clarel	0	0.0%	25	0.9%	25
<b>Total FRANCHISED stores</b>	<b>2,260</b>	<b>36.5%</b>	<b>2,886</b>	<b>43.7%</b>	<b>626</b>
Total DIA stores	5,061	81.7%	5,373	81.4%	312
Total Schlecker/Clarel stores	1,130	18.3%	1,225	18.6%	95
<b>TOTAL NUMBER OF STORES</b>	<b>6,191</b>	<b>100.0%</b>	<b>6,598</b>	<b>100.0%</b>	<b>407</b>

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

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

Over the last twelve months, the total number of stores has increased by 187 in Iberia (of which 95 under the Schlecker/Clarel banner), totalling 4,879 stores in Iberia at the end of last quarter (of which 4,237 in Spain). In the Emerging Markets, DIA carried out 220 net openings over the last twelve months. In both areas, the contribution of new franchised stores has accelerated during 2014.



## NUMBER OF STORES BY OPERATIONAL MODEL AND SEGMENT

		H1 2013 <sup>(1)</sup>	%	H1 2014 <sup>(2)</sup>	%	CHANGE
IBERIA	COCO	1,956	54.9%	1,854	50.7%	-102
	COFO	701	19.7%	931	25.5%	230
	FOFO	905	25.4%	869	23.8%	-36
	<b>IBERIA DIA stores</b>	<b>3,562</b>	<b>100.0%</b>	<b>3,654</b>	<b>100.0%</b>	<b>92</b>
	COCO	1,130	100.0%	1,200	98.0%	70
	COFO	0	0.0%	25	2.0%	25
	FOFO	0	0.0%	0	0.0%	0
	<b>IBERIA CLAREL/SCHLECKER</b>	<b>1,130</b>	<b>100.0%</b>	<b>1,225</b>	<b>100.0%</b>	<b>95</b>
EMERGING MARKETS	COCO	845	56.4%	658	38.3%	-187
	COFO	186	12.4%	485	28.2%	299
	FOFO	468	31.2%	576	33.5%	108
	<b>EMERGING MARKETS</b>	<b>1,499</b>	<b>100.0%</b>	<b>1,719</b>	<b>100.0%</b>	<b>220</b>
DIA stores	COCO	2,801	55.3%	2,512	46.7%	-289
	COFO	887	17.5%	1,416	26.4%	529
	FOFO	1,373	27.1%	1,445	26.9%	72
	<b>TOTAL DIA stores</b>	<b>5,061</b>	<b>100.0%</b>	<b>5,373</b>	<b>100.0%</b>	<b>312</b>
SCHLECKER CLAREL stores	COCO	1,130	100.0%	1,200	98.0%	70
	COFO	0	0.0%	25	2.0%	25
	FOFO	0	0.0%	0	0.0%	0
	<b>TOTAL CLAREL/SCHLECKER</b>	<b>1,130</b>	<b>100.0%</b>	<b>1,225</b>	<b>100.0%</b>	<b>95</b>
TOTAL DIA	COCO	3,931	63.5%	3,712	56.3%	-219
	COFO	887	14.3%	1,441	21.8%	554
	FOFO	1,373	22.2%	1,445	21.9%	72
	<b>TOTAL stores</b>	<b>6,191</b>	<b>100.0%</b>	<b>6,598</b>	<b>100.0%</b>	<b>407</b>

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

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

In H1 2014, DIA invested EUR150.9m, 9.2% more than same period in 2013 in local currency (12.5% excluding DIA Turkey from 2013 capex). Total capex allocated to Brazil and Argentina in H1 2014 increased by 34.1% in local currency.

During Q2 2014, DIA transformed 270 Schlecker stores into the new Clarel banner, taking the final number of Clarel stores to 458 by the end of June 2014. In Spain, a total of 73 DIA Market stores were already upgraded to DIA Market III by the end of Q2 2014, and the renewal plan is to have more than 320 DIA Market stores remodelled before end-2014.

## CAPEX

BY SEGMENT (EURm)	H1 2013	%	H1 2014	%	INC
Iberia	81.2	52.7%	102.0	67.6%	25.7%
Emerging Markets	51.1	33.2%	44.4	29.4%	-13.2%
France	21.6	14.0%	4.5 <sup>(1)</sup>	3.0%	-79.1%
<b>TOTAL</b>	<b>153.9</b>	<b>100.0%</b>	<b>150.9</b>	<b>100.0%</b>	<b>-2.0%</b>
BY CONCEPT (EURm)	H1 2013	%	H1 2014	%	INC
Openings	49.1	31.9%	60.6	40.2%	23.4%
Remodelling & Ongoing	104.8	68.1%	90.3	59.8%	-13.8%
<b>TOTAL</b>	<b>153.9</b>	<b>100.0%</b>	<b>150.9</b>	<b>100.0%</b>	<b>-2.0%</b>

(1) France capex not included after Q1 2014

## 5 / BUSINESS REVIEW BY GEOGRAPHY

In Iberia, gross sales under banner decreased by 2.9% in Q2 2014 to EUR1.52bn, of which EUR78.1m came from the Schlecker and Clarel stores. Like-for-like gross sales under banner slid by 5.6% in Q2 2014 with a negative calendar effect. The business environment is still adverse in Iberia and the deflation observed in some key categories is penalising the sales performance of food retail. However, in Spain DIA continues grabbing market share and volume trends are already reflecting some signs of recovery. In Portugal, DIA improved its Like-for-like sales growth rates in Q2 2014 despite challenging market conditions.

In this context, DIA managed to generate in Q2 2014 EUR118.5m and EUR83.2m of adjusted EBITDA and adjusted EBIT respectively. These figures are very much in line with Q2 2013 as we have managed to adapt rapidly our cost structure to the lower level of sales and we benefit from the improvement of increased penetration of franchises. Operating margins continued the expansionary pattern seen in recent quarters.

In terms of semi-annual figures, gross sales slid by 1.5% to EUR2.95bn, of which EUR152m came from Schlecker and Clarel stores. Adjusted EBIT rose by 1.2% to EUR143.5m while operating margins over net sales widened by 17 bp to 5.7%.

### IBERIA

(EURm)	Q2 2013	Q2 2014	INC
Gross sales under banner	1,565.5	1,520.2	-2.9%
<i>of which Schlecker/Clarel</i>	<i>77.8</i>	<i>78.1</i>	<i>0.3%</i>
LFL gross sales under banner			-5.6%
Net sales	1,347.9	1,301.4	-3.5%
Adjusted EBITDA <sup>(1)</sup>	120.6	118.5	-1.8%
Adjusted EBITDA margin	8.9%	9.1%	16 bp
Adjusted EBIT <sup>(1)</sup>	83.8	83.2	-0.7%
Adjusted EBIT margin	6.2%	6.4%	18 bp
(EURm)	H1 2013	H1 2014	INC
Gross sales under banner	2,992.9	2,948.5	-1.5%
<i>of which Schlecker/Clarel</i>	<i>123.5<sup>(2)</sup></i>	<i>151.8</i>	<i>23.0%</i>
LFL gross sales under banner			-5.0%
Net sales	2,580.5	2,530.9	-1.9%
Adjusted EBITDA <sup>(1)</sup>	214.5	214.8	0.2%
Adjusted EBITDA margin	8.3%	8.5%	18 bp
Adjusted EBIT <sup>(1)</sup>	141.8	143.5	1.2%
Adjusted EBIT margin	5.5%	5.7%	17 bp

(1) Adjusted for non-recurring items, (2) Five months of contribution in H1 2013

In Emerging Markets, DIA continues to see very strong performance, gaining market share at very dynamic rates both in Argentina and Brazil.

Gross sales under banner grew by 29.5% in local currency in Q2 2014, of which 20.5% corresponded to comparable sales growth. The strong depreciation of the Argentinian Peso (38%) and the Brazilian Real (12%) in Q2 2014 versus Q2 2013 was reflected in a 2.3% decline in the amount of gross sales under banner reported in Euros to EURO.78bn. Adjusted EBITDA increased by 0.9% to EUR17.7m (38.7% in local currency) with adjusted EBITDA margin 7 bp up to 2.7%

In the first six months of 2014, gross sales under banner grew by 28.4% in local currency, which, due to the sharp depreciation in Latam currencies, was reflected in a 4.2% decline in Euros to EUR1.49bn. At the operating profit line, adjusted EBIT grew by 11.3% in H1 2014 (70.5% in constant currency) to EUR12.8m with a 13 bp margin expansion in the adjusted EBIT margin over net sales to 1.0%.

## EMERGING MARKETS

(EURm)	Q2 2013	Q2 2014	INC	INC w/o FX
Gross sales under banner	797.5	779.1	-2.3%	29.5%
LFL gross sales under banner				20.5%
Net sales	672.2	659.6	-1.9%	29.0%
<b>Adjusted EBITDA <sup>(1)</sup></b>	<b>17.5</b>	<b>17.7</b>	<b>0.9%</b>	<b>38.7%</b>
Adjusted EBITDA margin	2.6%	2.7%	7 bp	
<b>Adjusted EBIT <sup>(1)</sup></b>	<b>8.5</b>	<b>8.4</b>	<b>-0.3%</b>	<b>47.7%</b>
Adjusted EBIT margin	1.3%	1.3%	2 bp	
(EURm)	H1 2013	H1 2014	INC	INC w/o FX
Gross sales under banner	1,551.8	1,486.3	-4.2%	28.4%
LFL gross sales under banner				19.0%
Net sales	1,309.8	1,258.0	-4.0%	27.9%
<b>Adjusted EBITDA <sup>(1)</sup></b>	<b>29.3</b>	<b>30.6</b>	<b>4.4%</b>	<b>46.3%</b>
Adjusted EBITDA margin	2.2%	2.4%	20 bp	
<b>Adjusted EBIT <sup>(1)</sup></b>	<b>11.5</b>	<b>12.8</b>	<b>11.3%</b>	<b>70.5%</b>
Adjusted EBIT margin	0.9%	1.0%	13 bp	

(1) Adjusted by non-recurring items

## 6 / OUTLOOK

- / DIA reiterates its double-digit CAGR 2012-15 underlying EPS target at constant currency.

## 7 / CORPORATE CALENDAR

EVENT	DATE	STATUS
Q3 2014 earnings release	Monday, 27 October 2014	Confirmed
Q4 2014 earnings release	February 2015	Tentative

## 8 / EVENTS FOLLOWING THE CLOSE OF THE PERIOD

- / On 2 July, DIA announced the agreement to purchase 100% of the equity stake in the share capital of Grupo El Árbol Distribución y Supermercados S.A., a proximity supermarket company in Spain.
- / On 10 July, DIA notified the issue, (under its Euro Medium Term Note Programme approved by the Central Bank of Ireland on 3 July 2014), a series of Notes in the Euro market worth EUR500m euros and five years of maturity. The note will pay a yearly coupon of 1.50%, and was issued at a price of 99.419%, with a 1.622% re-offer yield.
- / On 10 July, DIA signed a syndicated revolving credit facility with a group of banks for a principal of EUR400m and five years maturity.
- / On 16 July, the company paid out a gross ordinary dividend of EURO.16 per share, with a charge to DIA's results in fiscal 2013. In total, EUR103.3m was distributed to the company's shareholders, an increase of 23.1% in relation to the gross dividend paid out with a charge to the 2012 results.

## 9 (I) / SALES BY COUNTRY

### GROSS SALES UNDER BANNER

(EURm)	H1 2013 <sup>(1)</sup>	%	H1 2014 <sup>(2)</sup>	%	INC	INC (w/o FX)
Spain	2,536.7	55.8%	2,517.4	56.8%	-0.8%	-0.8%
Portugal	456.2	10.0%	431.2	9.7%	-5.5%	-5.5%
<b>IBERIA</b>	<b>2,992.9</b>	<b>65.9%</b>	<b>2,948.5</b>	<b>66.5%</b>	<b>-1.5%</b>	<b>-1.5%</b>
Argentina	635.6	14.0%	598.5	13.5%	-5.8%	50.9%
Brazil	824.0	18.1%	794.7	17.9%	-3.6%	13.7%
China (Shanghai)	92.1	2.0%	93.1	2.1%	1.1%	5.2%
<b>EMERGING MARKETS</b>	<b>1,551.8</b>	<b>34.1%</b>	<b>1,486.3</b>	<b>33.5%</b>	<b>-4.2%</b>	<b>28.4%</b>
<b>TOTAL DIA</b>	<b>4,544.7</b>	<b>100.0%</b>	<b>4,434.8</b>	<b>100.0%</b>	<b>-2.4%</b>	<b>8.7%</b>

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

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

### NET SALES

(EURm)	H1 2013 <sup>(1)</sup>	%	H1 2014 <sup>(2)</sup>	%	INC	INC (w/o FX)
Spain	2,200.1	56.6%	2,173.3	57.4%	-1.2%	-1.2%
Portugal	380.4	9.8%	357.7	9.4%	-6.0%	-6.0%
<b>IBERIA</b>	<b>2,580.5</b>	<b>66.3%</b>	<b>2,530.9</b>	<b>66.8%</b>	<b>-1.9%</b>	<b>-1.9%</b>
Argentina	506.0	13.0%	477.7	12.6%	-5.6%	51.4%
Brazil	726.9	18.7%	701.7	18.5%	-3.5%	13.8%
China (Shanghai)	76.9	2.0%	78.6	2.1%	2.2%	6.3%
<b>EMERGING MARKETS</b>	<b>1,309.8</b>	<b>33.7%</b>	<b>1,258.0</b>	<b>33.2%</b>	<b>-4.0%</b>	<b>27.9%</b>
<b>TOTAL DIA</b>	<b>3,890.3</b>	<b>100.0%</b>	<b>3,788.9</b>	<b>100.0%</b>	<b>-2.6%</b>	<b>8.1%</b>

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

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

## 9 (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
<b>Q1 2014 change</b>	<b>-36.1%</b>	<b>-18.6%</b>	<b>-1.7%</b>
Q2 2013	0.1462	0.3708	0.1244
Q2 2014	0.0905	0.3271	0.1170
<b>Q2 2014 change</b>	<b>-38.1%</b>	<b>-11.8%</b>	<b>-5.9%</b>

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

## 9 (III) / BALANCE SHEET

(EURm)	H1 2013	H1 2014
Non-current assets	2,230.0	1,723.5
Inventories	550.9	471.3
Trade & other receivables	203.4	232.8
Other current assets	110.3	353.3
Cash & cash equivalents	251.9	130.6
Non-current assets held for sale	122.7	852.6
<b>TOTAL ASSETS</b>	<b>3,469.1</b>	<b>3,764.1</b>
Total equity	19.0	298.6
Long-term debt	759.3	652.8
Provisions	98.2	54.7
Deferred tax liabilities	109.1	0.8
Short-term debt	206.5	410.7
Trade & other payables	1,722.4	1,426.1
Other current liabilities	379.9	297.3
Liabilities associated with assets held for sale	174.7	623.1
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>3,469.1</b>	<b>3,764.1</b>

## 9 (IV) / CASH FLOW STATEMENT

(EURm)	H1 2013 <sup>(1)</sup>	H1 2014 <sup>(2)</sup>
Adjusted EBITDA	243.9	245.5
Taxes paid	-30.6	-18.7
<i>of which, Income taxes of the year</i>	-11.8	-15.4
<i>of which, Settlement of claims provisioned</i>	-18.8	-3.2
Net change in trade working capital	-55.2	-208.3
Other payables & receivables	-61.9	-135.4
<b>(A) CASH-FLOW FROM CONTINUOUS OPERATIONS</b>	<b>96.2</b>	<b>-116.8</b>
Financial investments / divestments	-26.7	-14.1
<i>of which, Acquisition and disposal of shares</i>	-69.3	0.0
<i>of which, Other financial investment/divestments</i>	42.6	-14.1
Capital expenditure	-153.9	-150.9
<b>(B) CASH-FLOW FROM INVESTING ACTIVITIES</b>	<b>-180.6</b>	<b>-165.0</b>
<b>(A+B) OPERATING FREE CASH-FLOW</b>	<b>-84.4</b>	<b>-281.9</b>
Equity issued	0.0	0.0
Dividend distribution	0.0	0.0
Shares buy-back	-73.8	0.0
Change in FX and other	73.7	-0.1
<b>(C) CASH-FLOW FROM FINANCIAL ACTIVITIES</b>	<b>-0.1</b>	<b>-0.1</b>
Net debt beginning of the period	629.3	651.0
<b>(A+B+C) CHANGE IN NET DEBT</b>	<b>-84.5</b>	<b>-281.9</b>
<b>Net debt at the end of the period</b>	<b>713.8</b>	<b>932.9</b>

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

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

**9 (V) / GROSS SALES & ADJUSTED EBITDA BY SEGMENT**

**H1 2013  
Gross sales under  
banner**



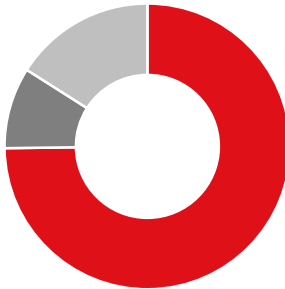
- Iberia 52.5%
- Emerging 24.7%
- France 22.8%

**H1 2014  
Gross sales under  
banner**



- Iberia 66.5%
- Emerging 33.5%

**H1 2013  
Adjusted EBITDA**



- Iberia 74.8%
- Emerging 9.2%
- France 16.0%

**H1 2014  
Adjusted EBITDA**



- Iberia 87.0%
- Emerging 13.0%



## / 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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