

IN  **VESTOR**
DAY 2014
BARCELONA



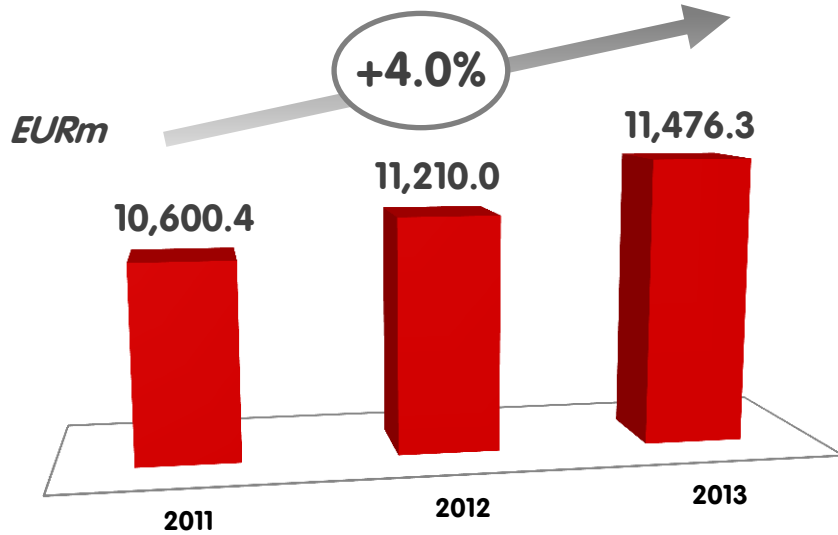
FINANCIAL REVIEW

Amando Sánchez
Chief Corporate Officer

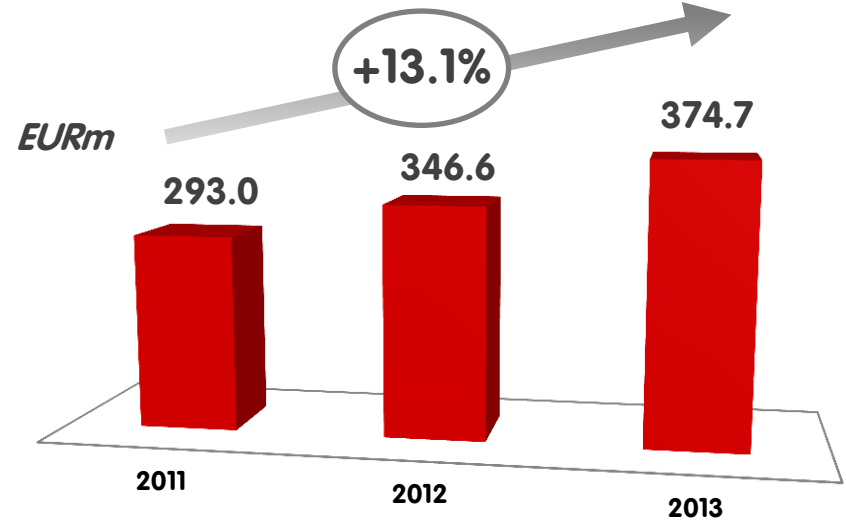


Delivering growth

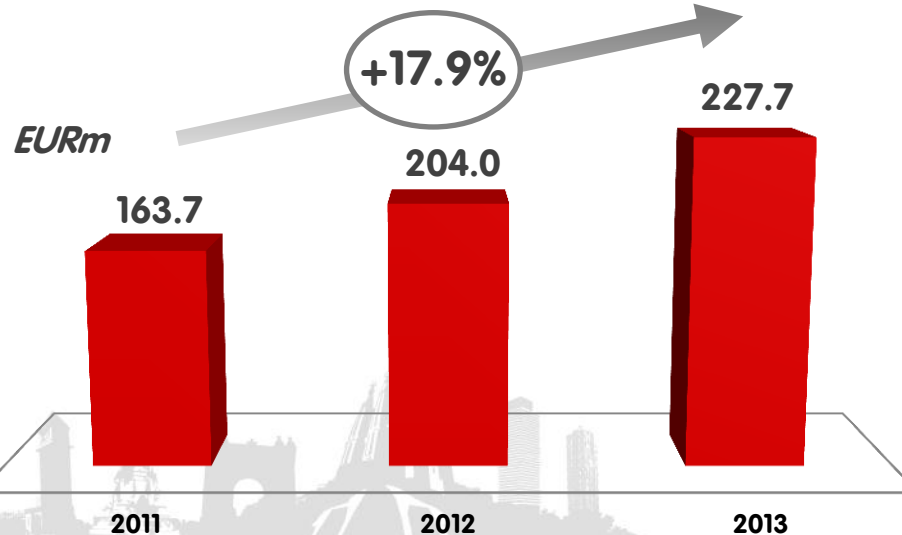
Gross sales under banner



Adjusted EBIT



Underlying net profit



CAGR

Source: Company data
2011 proforma Turkey & Beijing adjusted

Constant cost reduction at the heart of DIA's success

- Distribution costs reduction allows to improve prices and profitability
- DIA distribution costs declined by -1.4% in CAGR 2009- 2013
- Energy cost in Spain decreased by -6.1% in 2013

% Distribution costs / Net sales

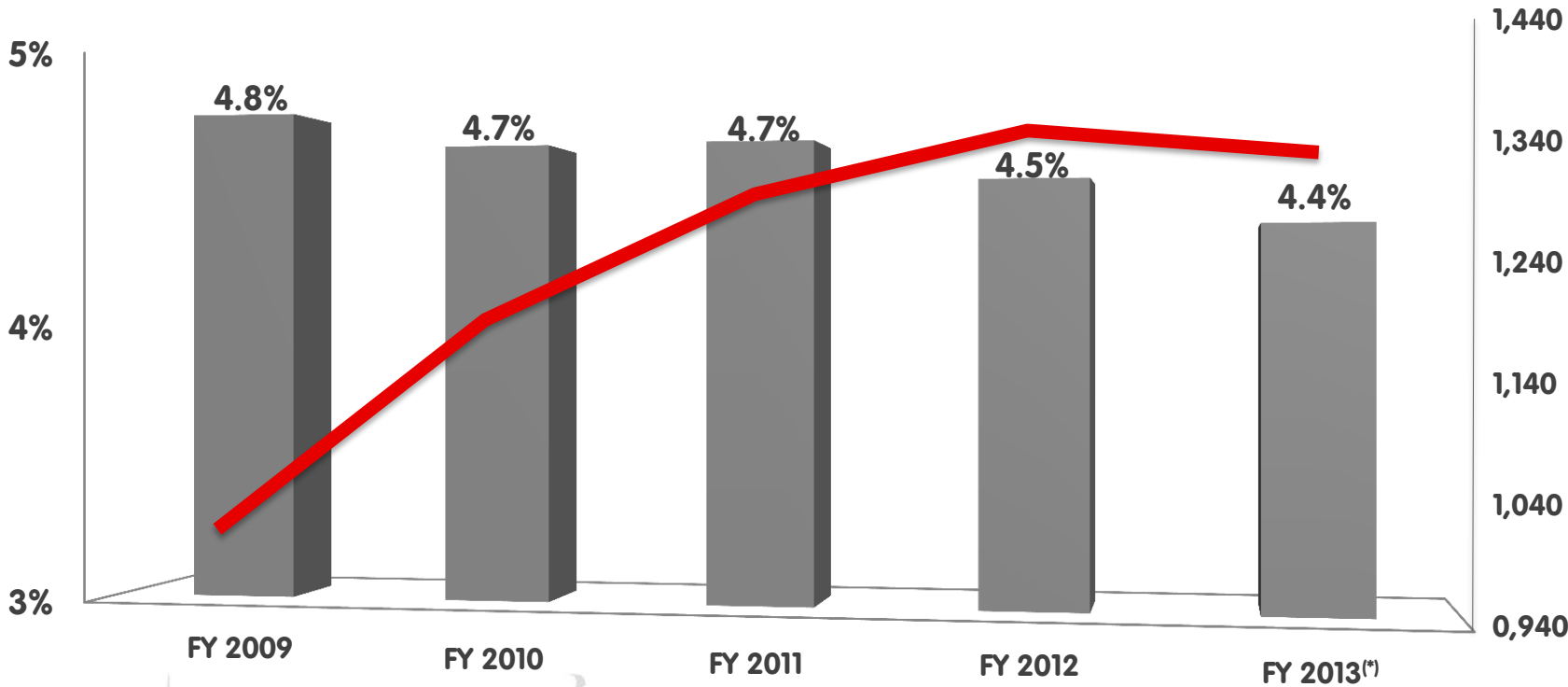


Source: Company data
(*) Excluding Schlecker

Logistics savings offset fuel cost increases

- Logistic costs go down despite rising fuel costs.

Spain: Average diesel prices (EUR litre with taxes) (RH) vs Logistic costs (as % of sale) (LH)



Source: Company data; Ministry of Industry, Energy and Tourism

DIA, everyday low cost; more leverage going forward

- 2016 target reduction of 100bps on sales

- In-store productivity
- Real estate/Asset cost
- Logistics



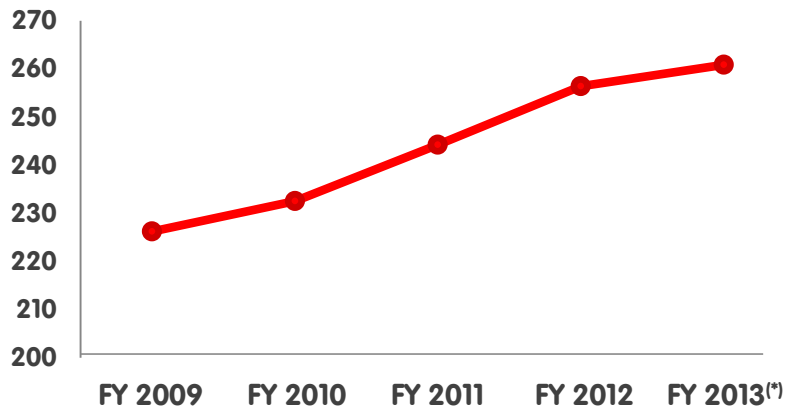
- Invest in prices
- Expand operating margins

Source: Company data

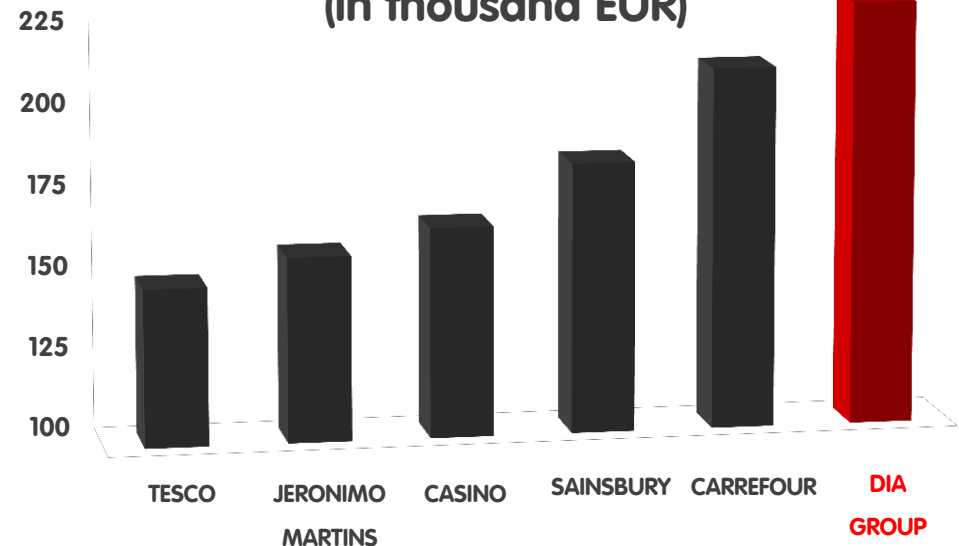
Leading productivity ratios

- In Spain, the sales per employee ratio improved by 3.6% CAGR over the period 2009-2013

Net sales per employee
(in thousand EUR)



Net sales per employee
(in thousand EUR)

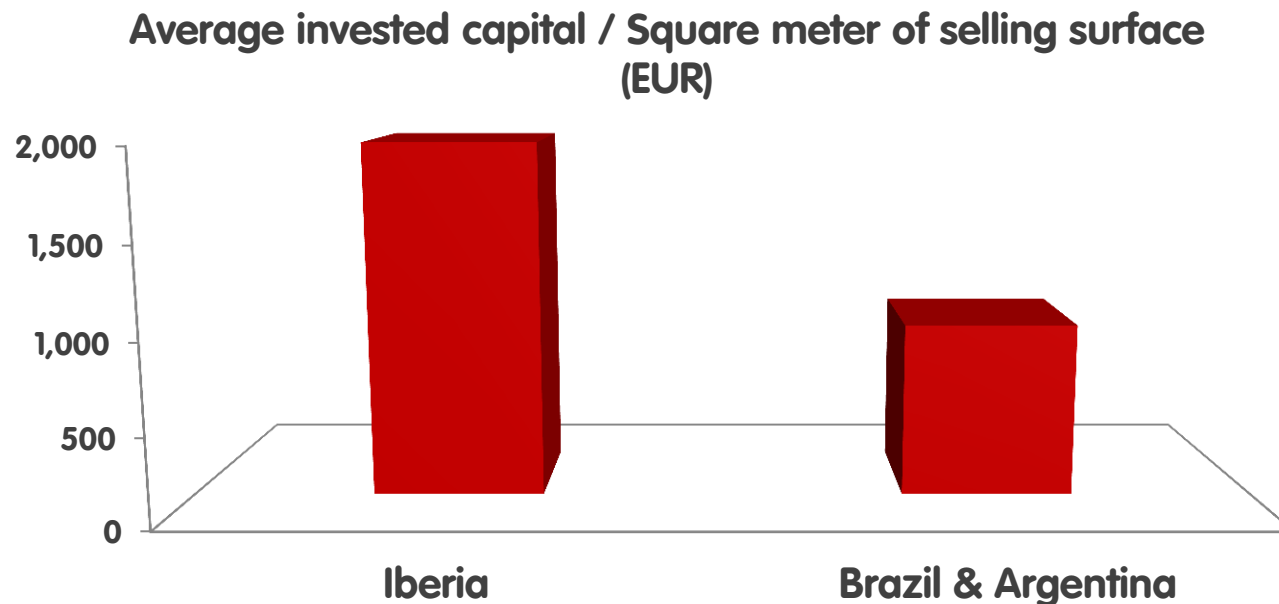


^(*)Excluding Schlecker

Source: Company reports

Making an effective use of capital

- Lower average capex per sqm

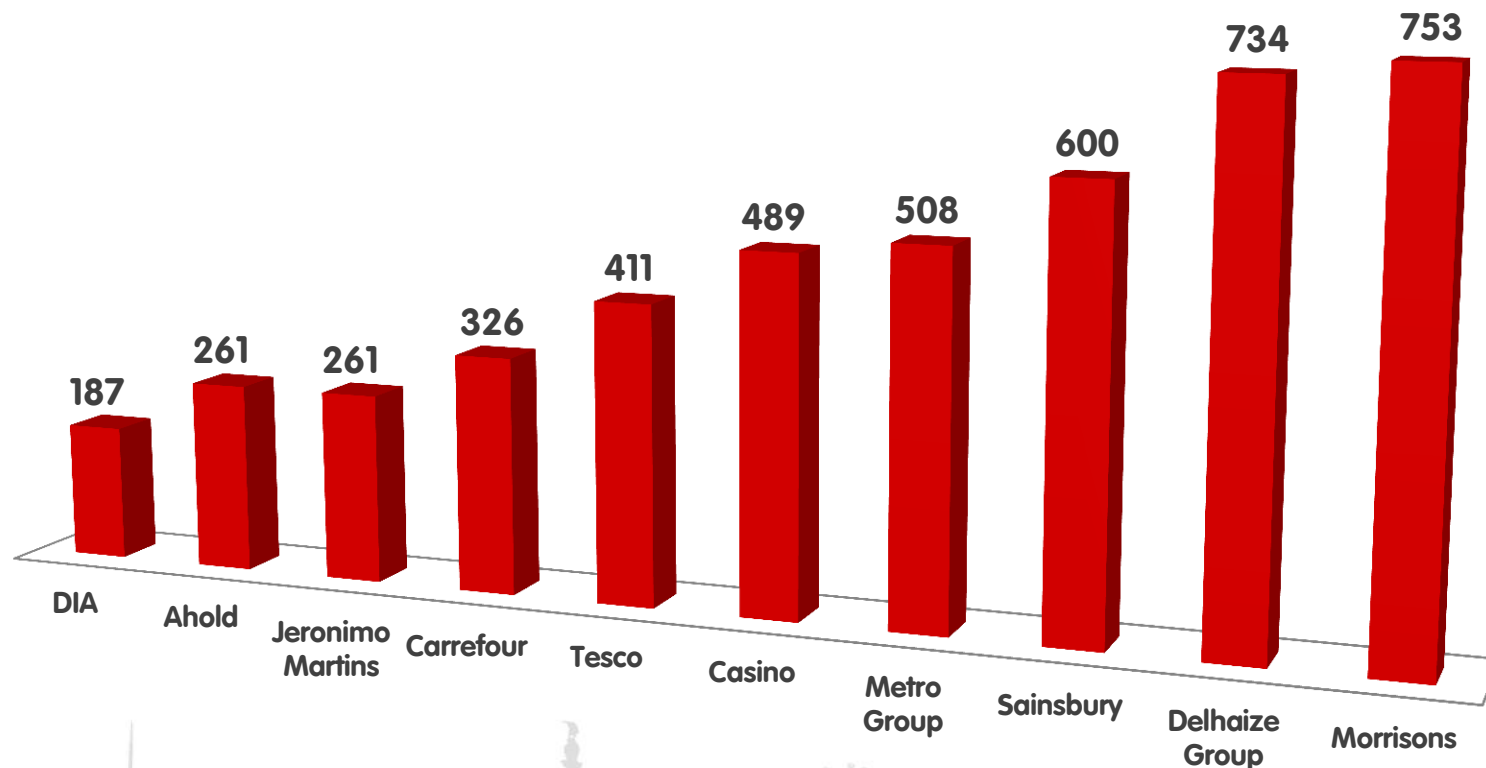


- Expected lower capital intensity in coming years
- Growing weight of Brazil, Argentina and China
- Improved purchasing terms

Trade working capital, a key feature of DIA business model

- Best-in-class inventory levels

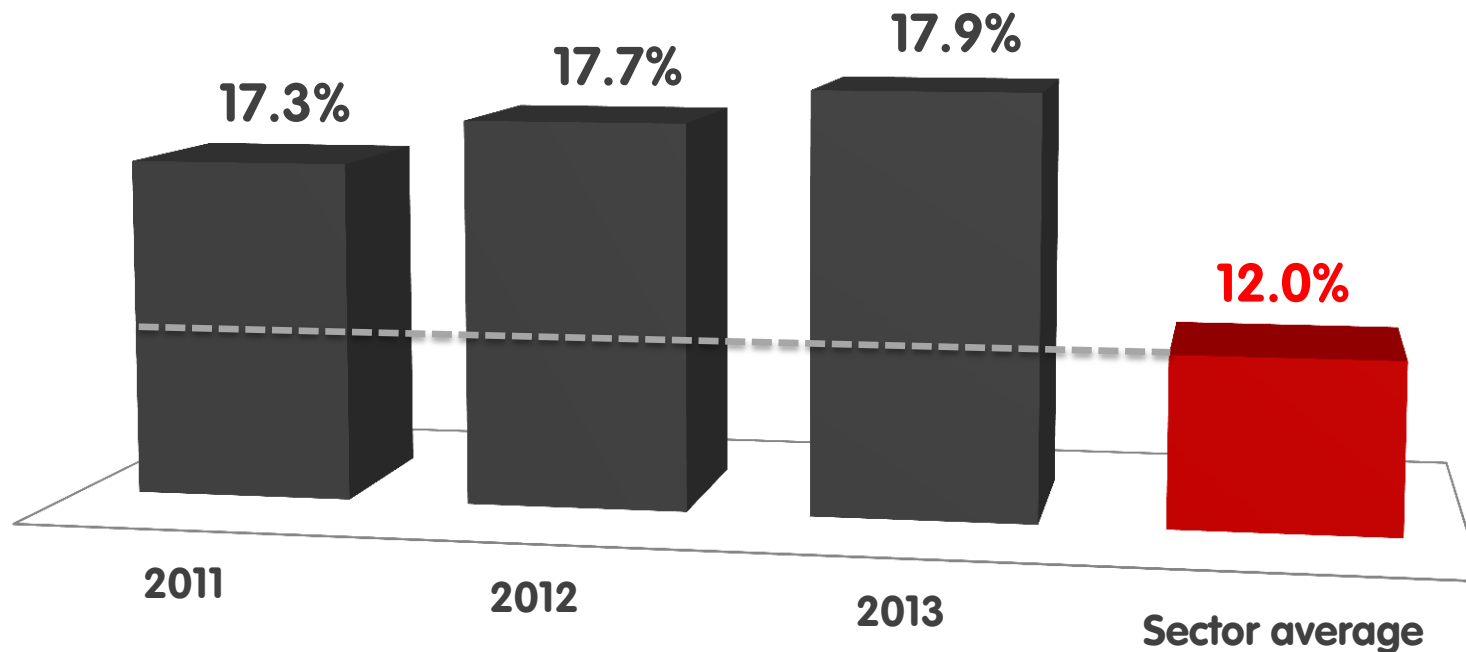
Inventories per square meter of selling space
(in thousand EUR)



Source : Exane, Planet retail, company's reports 2012

Steady improvement of returns

- DIA's Return On Investment (ROI) has improved during the last years.



DIA ROI updated to December 2013

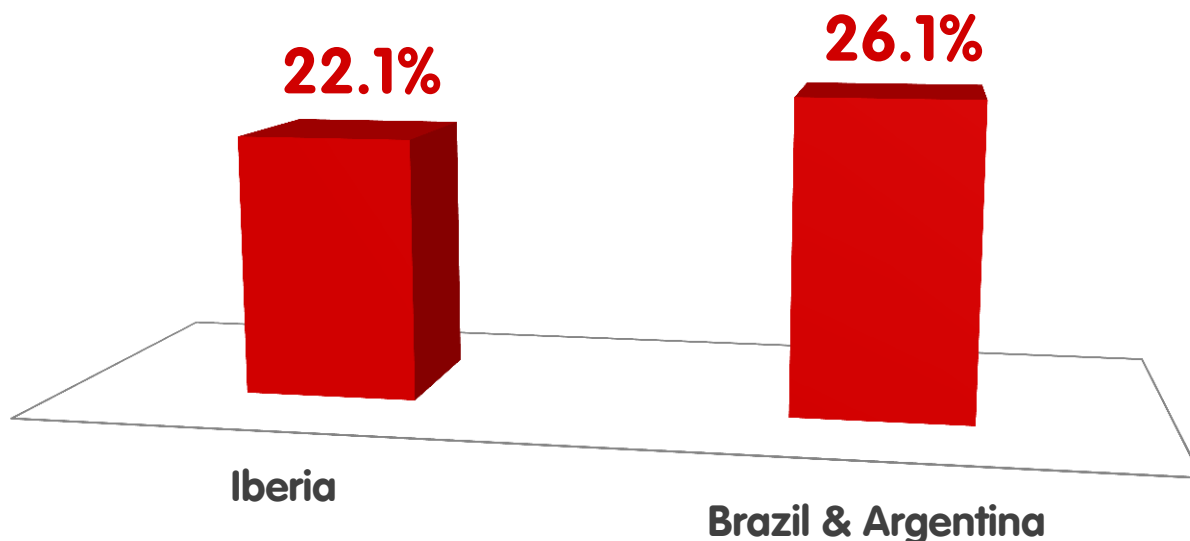
Sector Average: Ahold, Carrefour, Casino, Delhaize and Metro

() ROI = Adj. Operating income (EBITDAR) / Avg. invested capital*

Avg. invested capital = Avg total assets exc cash + Avg D&A - Avg accounted payables - Avg accrued liabilities + x8 Rent adjustment

A unique opportunity in Brazil and Argentina

- Very high returns in Brazil and Argentina
- With a strong business model, very low cost base and gross margin, large price gap and unique private label positioning



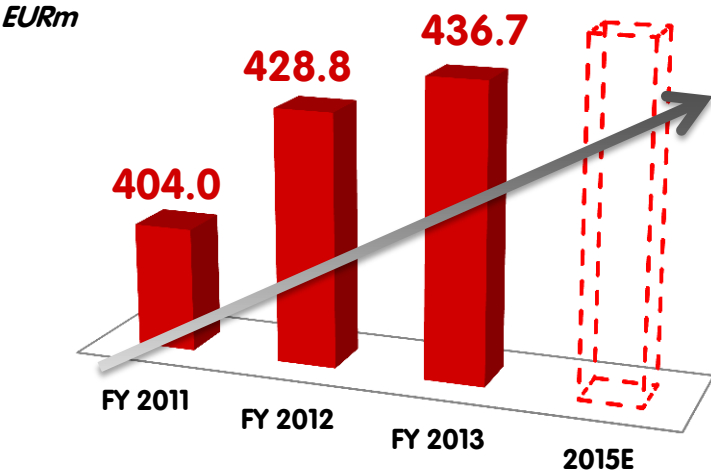
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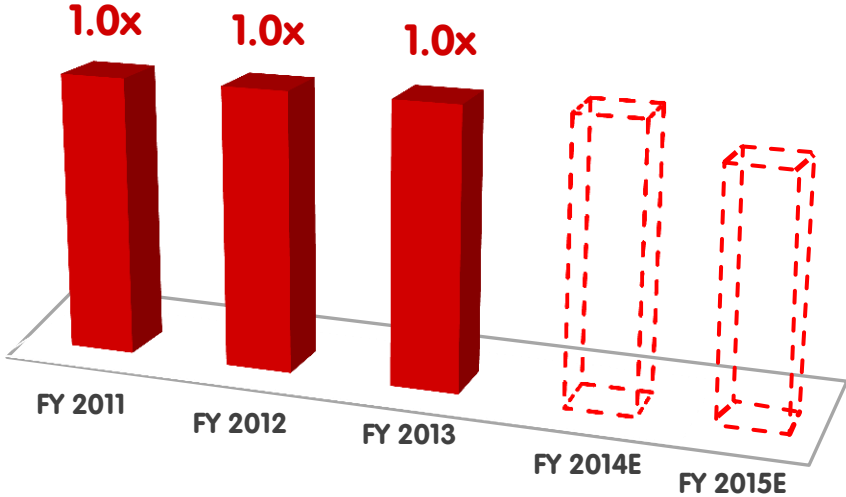
Robust cash flow generation

Funds from operations



FCF 2014-2015 does not represent scale

Net debt / Adjusted EBITDA

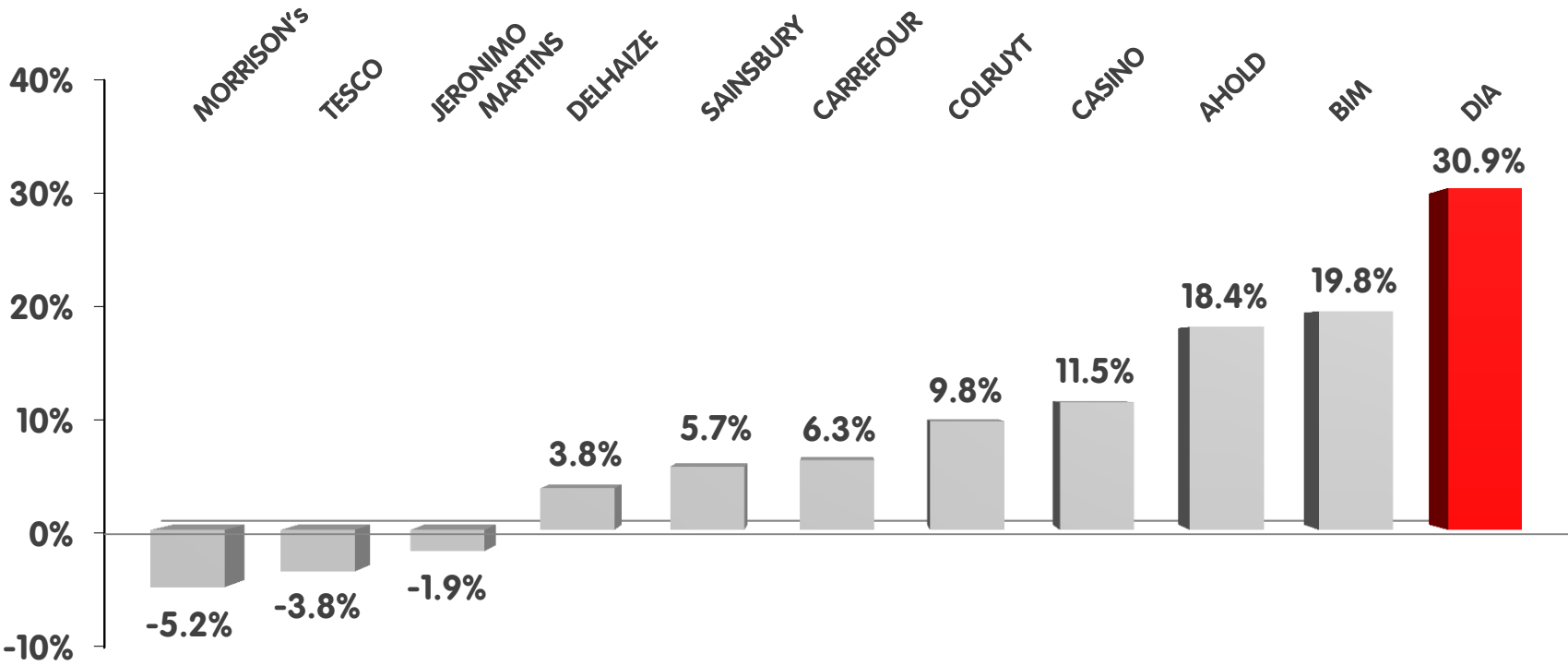


2014 & 2015 does not represent scale

- DIA's business model generate massive FCF

Outstanding TSR

ANNUALISED TSR
(from 5/July/2011 to 28/February/2014)



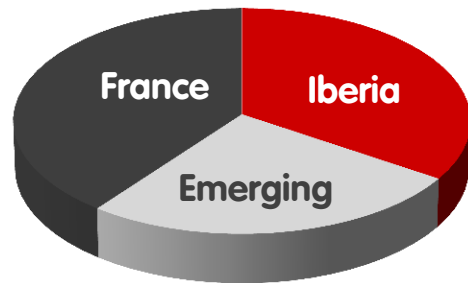
Source: Bloomberg



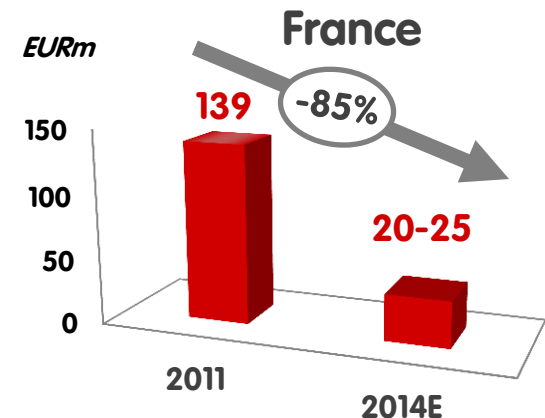
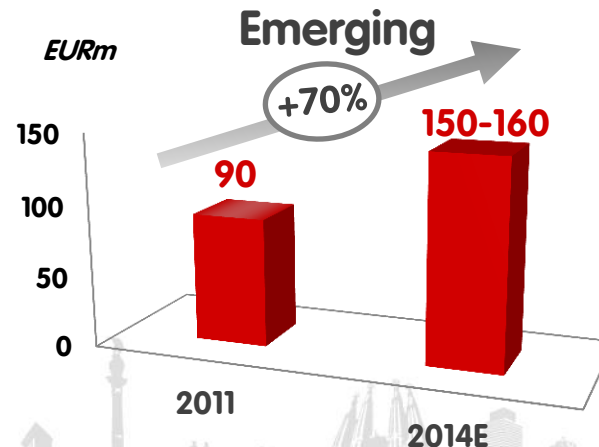
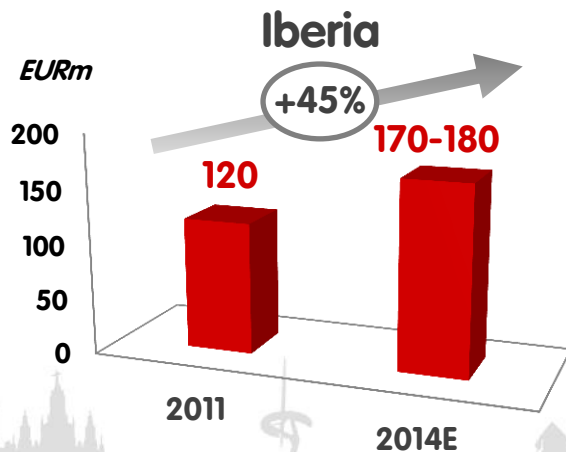
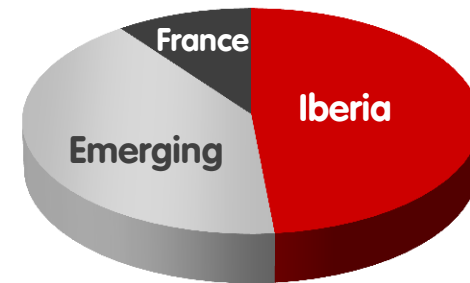
Capex outlook

- We continue to allocate capex efficiently
- We devote more capex to openings

2011

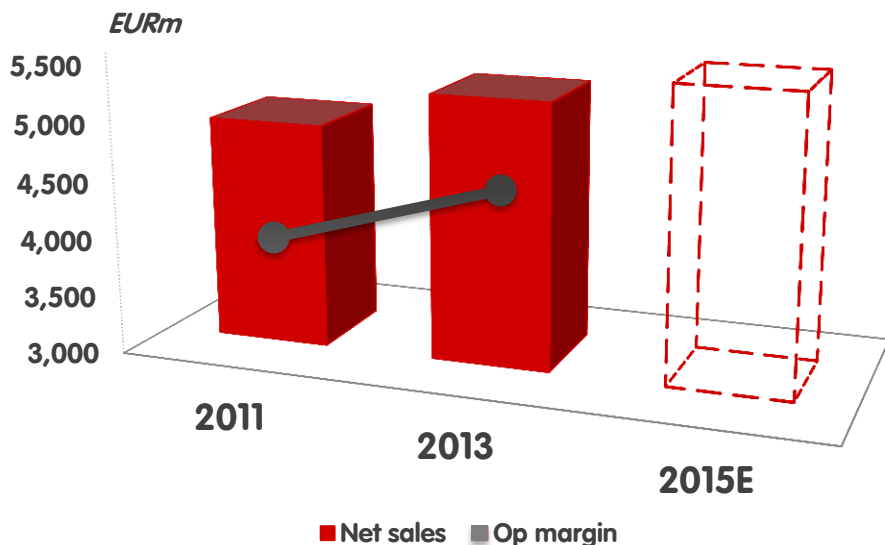


2014E

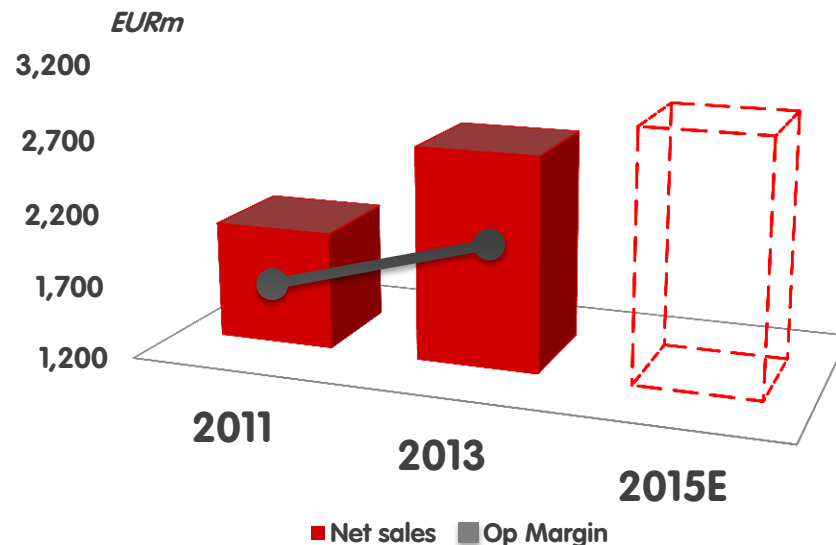


Source: Company data

IBERIA



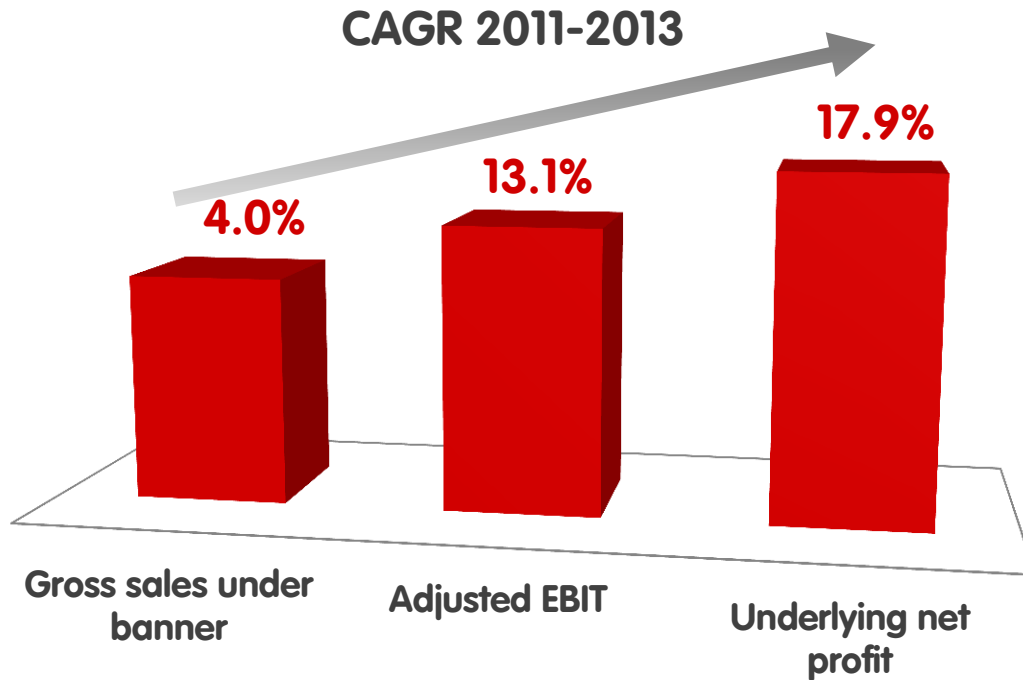
EMERGING



- Growth from expansion
- Franchise advantage
- Opex leverage
- Stable margins

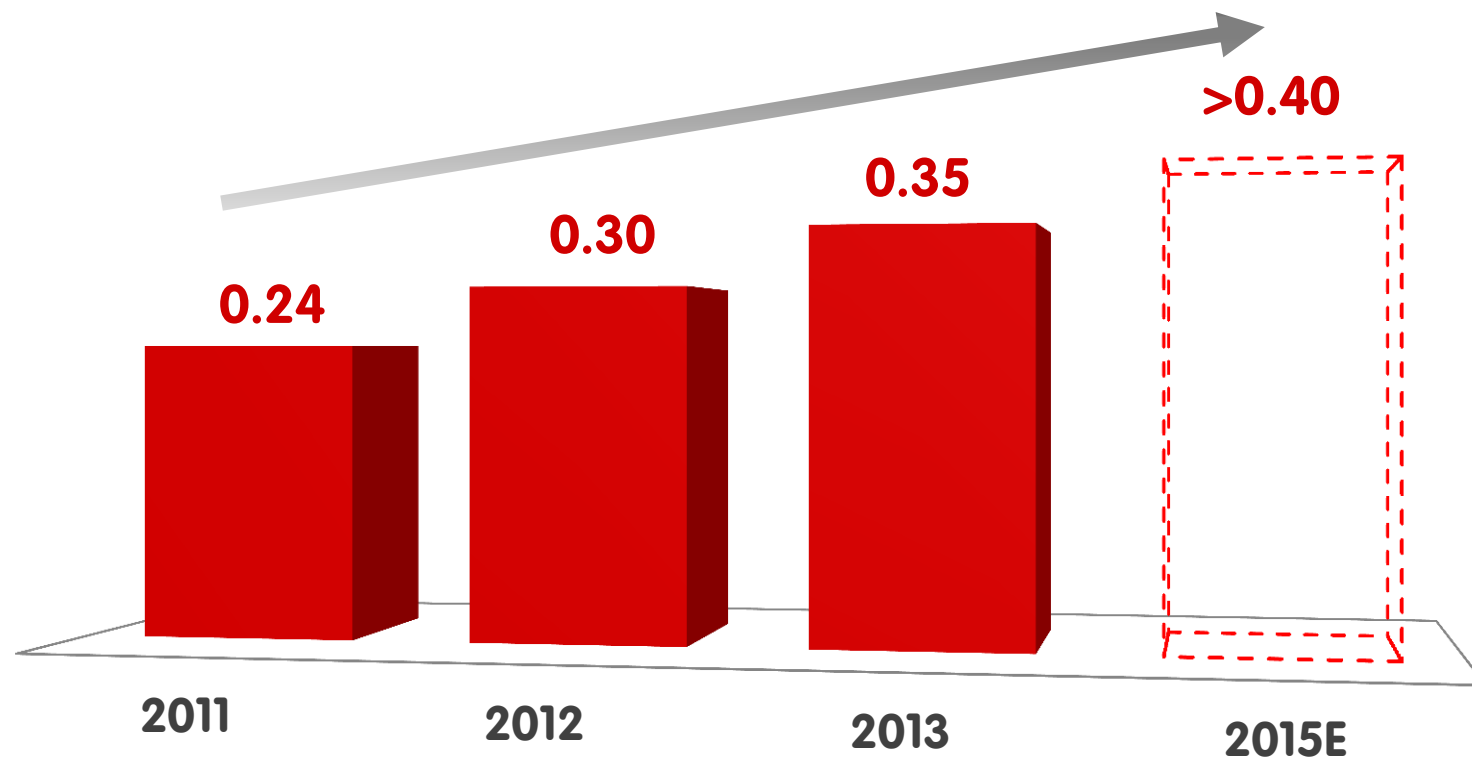
- Maintain high space growth (mid teens)
- Operating margins expansion despite dilution of new regions
- Currency headwinds

Expect leverage through the P&L to continue



- Cost leverage
- More franchise
- Lower asset costs

Underlying EPS growth in line to meet our goals



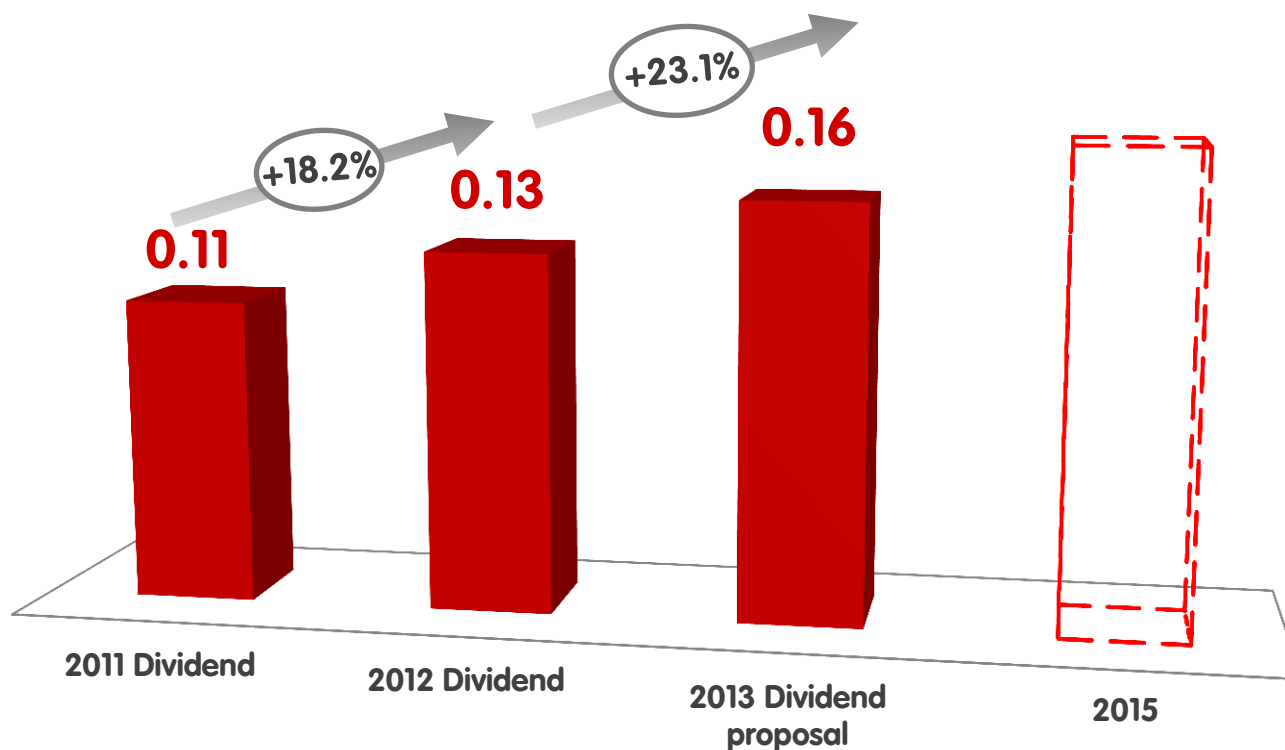
2015 does not represent scale

2011 proforma Turkey & Beijing adjusted

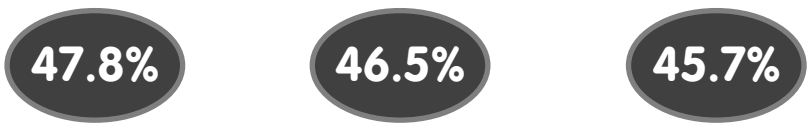
Source: Company data

Delivering returns to shareholders

- More than EUR430m remuneration to shareholders in 3 years



Payout



- Dividend policy in the range of 40%-50% underlying net profit

Source: Company data. 2015 does not represent scale

- **Strong performance since listing**
- **Unique know-how in proximity and franchise**
- **Expansion opportunities in key markets**
- **Further opportunities to improve costs**
- **Best-in-class returns**
- **Double digit EPS growth 2012-15 reiterated**



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