25 October 2016

Unaudited

# 9M/2016

DIA Group

## Highlights

- 11.1% growth in gross sales under banner in the first nine months of 2016 (in local currency) and a 9.6% increase in Q3 2016.
- LFL "ex-calendar" of 10.0% in Q3 2016, the highest quarterly growth rate ever reported by DIA since listing in 2011. In Q3 2016, comparable sales increased by 1.3% in Iberia and by 22.5% in emerging markets, with an outstanding 17.6% in Brazil.
- Adjusted EBITDA was EUR429.1m in 9M 2016, up 6.4% ex-currency (+5.8% in Q3 2016). In emerging markets, adjusted EBITDA (ex-currency) rose by 35.3%.
- In 9M 2016, DIA generated EUR378.5m of cash flow from continuous operations and an operating free cash flow of EUR108.7m.
- Net profit went up by 17.2% in Q3 2016 to EUR47.7m, while underlying net profit declined by 4.4% due to higher financial expenses in emerging markets.

## Comments by CEO Ricardo Currás

**"Sales growth patterns were strong again in every DIA market during Q3 2016, with positive comparable sales growth in all DIA countries despite the challenging business conditions. Sustained price investments combined with improved service for our customers are paying off all over the DIA universe, pushing up LFL growth above their respective markets. Our priorities for 2016 remain clear: top-line growth and cash flow generation. We are confident that we can achieve our targets for the full-year 2016".**

## Financial Summary

| (€m) | 9M 2016 | INC ex-FX |
|---|---|---|
| Gross sales under banner | 7,799.9 | 11.1% |
| Iberia | 5,102.9 | 2.0% |
| Emerging markets | 2,697.0 | 27.2% |
| Like-for-like (1) | | 8.9% |
| Iberia | | 0.9% |
| Emerging markets | | 19.4% |

| (€m) | 9M 2016 | INC | INC ex-FX |
|---|---|---|---|
| Net sales | 6,563.6 | -1.2% | 10.0% |
| Adjusted EBITDA (2) | 429.1 | 0.4% | 6.4% |
| Adj. EBITDA margin | 6.54% | 11 bps | |
| Adjusted EBIT (2) | 254.4 | -5.6% | -0.1% |
| Adj. EBIT margin | 3.88% | -18 bps | |
| Underlying net profit | 157.2 | -4.8% | -4.7% |

(1) Excluding calendar effect

(2) Adjusted by non-recurring items

# Sales Performance

## Group

- DIA Group's total gross sales under banner amounted to EUR2.76bn in Q3 2016, with 10.0% like-for-like sales growth and no calendar effect at all. For the second consecutive quarter, DIA has released the highest comparable sales growth ever reported by the company in the stock market.
- Gross sales in the first nine months increased by 11.1% (ex-currency) to EUR7.80bn, with 8.9% like-for-like excluding a 0.2% positive calendar effect.
- In local currency, gross sales under banner grew in every DIA country during the first nine months of 2016.

## Iberia

- In Q3 2016, gross sales under banner slid by 0.4% to EUR1.76bn, with a 1.9% decrease in comparable selling area and EUR10.1m incremental sales from the new Eroski stores.
- Like-for-like sales in the quarter increased by 1.3% excluding a 0.1% negative calendar effect in the period.
- In Q3 2016, DIA continued to improve its commercial proposition, with a total of 67 remodellings in the period. In the first nine months of 2016, a total of 298 stores were upgraded or converted to the new versions, of which 139 DIA Maxi stores.
- In 9M 2016, a total of 141 El Arbol stores were converted into La Plaza de DIA, well ahead of the 95 stores initially planned for the whole year.
- During Q3 2016, Portugal continued with its good sales performance, outperforming Spain's growth.
- Clarel's gross sales under banner increased by 6.5% to EUR260.5m in the first nine months of 2016.

## Emerging Markets

- In Q3 2016, gross sales under banner increased by 4.2% in Euros to EUR1.00bn, while in local currency they rose by 28.1%.
- Comparable sales growth was 22.5% in the third quarter (ex +0.1% calendar effect), the highest like-for-like ever reported by the company in emerging markets since listing.
- The currency effect on gross sales growth declined significantly in Q3 2016. From the negative effects of 38.7% and 34.5% seen in Q1 2016 and Q2 2016 respectively, it declined to 23.9% in Q3 2016, with an 8.0% appreciation of the Brazilian Real.
- The DIA Club loyalty programme is fully implemented in Sao Paulo, contributing 75.6% of the region's total sales in September.
- With comparable sales growth of over 4% in the first nine months of the year, the performance of our business in China continued its positive trend despite a very difficult market environment.

## Gross Sales under Banner

| (€m) | 9M 2016 | % | INC ex-FX | FX effect | INC |
|---|---|---|---|---|---|
| Spain | 4,467.7 | 57.3% | 2.0% | 0.0% | 2.0% |
| Portugal | 635.2 | 8.1% | 2.1% | 0.0% | 2.1% |
| IBERIA | 5,102.9 | 65.4% | 2.0% | 0.0% | 2.0% |
| Argentina | 1,181.5 | 15.1% | 36.7% | -52.8% | -16.1% |
| Brazil | 1,337.2 | 17.1% | 19.8% | -13.1% | 6.8% |
| China (Shanghai) | 178.3 | 2.3% | 4.2% | -5.4% | -1.2% |
| EMERGING MARKETS | 2,697.0 | 34.6% | 27.2% | -32.3% | -5.1% |
| TOTAL DIA | 7,799.9 | 100.0% | 11.1% | -11.7% | -0.5% |

# Q3 2016 Results

## Sales

- In Q3 2016, net sales amounted to EUR2.32bn, up 8.7% in local currency. The currency depreciation in Brazil and Argentina had a negative impact of 8.0% on net sales growth.

## Operating Results

- In Q3 2016, adjusted EBITDA increased by 5.8% (ex-currency), with a flat performance in Iberia (-0.2%) and consistently strong earnings momentum in Emerging Markets (+32.4%). In Euros, adjusted EBITDA amounted to EUR161.7m, up by 0.4% versus the same period last year.
- The adjusted EBITDA margin was flat in the quarter at 7.0%, with good progress in Iberia and a slight decline in Emerging Markets.
- Adjusted EBIT increased by 2.2% at constant currency and slid by 4.0% in Euros to EUR101.2m.
- A year after the consolidation of the last Eroski stores in Spain, depreciation has started to ease in Iberia, though it is still growing above sales due to the investment in remodelling.
- Non-recurring items fell by 44.2% in the quarter to EUR17.3m. This amount of non-recurring items is namely due to the restructuring charges and efficiency projects subsequent to the acquisitions and COCO to COFO transfers.
- Non-recurring cash items fell by 40.4% in the period, to EUR14.9m.

## Net Profit

- Net profit increased by 17.2% in Q3 2016 to EUR47.7m.
- Underlying net profit in Q3 2016 fell by 4.4% to EUR61.1m (0.6% down at constant currency) due to the increase of financial expenses in emerging markets.

# Q3 2016 Results Summary

| (€m) | Q3 2016 | % | INC | FX effect | INC ex-FX |
|---|---|---|---|---|---|
| Net sales | 2,320.5 | 100.0% | 0.8% | -8.0% | 8.7% |
| Adjusted EBITDA (1) | 161.7 | 7.0% | 0.4% | -5.4% | 5.8% |
| D&A | -60.5 | -2.6% | 8.8% | -3.9% | 12.7% |
| Adjusted EBIT (1) | 101.2 | 4.4% | -4.0% | -6.2% | 2.2% |
| Non-recurring items | -17.3 | -0.7% | -44.2% | -3.6% | -40.6% |
| Non-recurring cash items | -14.9 | -0.6% | -40.4% | | |
| Long-Term Incentive Plans | -0.3 | 0.0% | -81.3% | | |
| Other non-recurring items | -2.1 | -0.1% | -51.0% | | |
| EBIT | 83.9 | 3.6% | 12.7% | -7.3% | 20.0% |
| Net attributable profit | 47.7 | 2.1% | 17.2% | -3.2% | 20.3% |
| Underlying net profit | 61.1 | 2.6% | -4.4% | -3.8% | -0.6% |

Adjusted by non-recurring items

# 9M 2016 Results

## Sales

- In local currency, all the DIA countries posted positive growth in gross sales under banner during the first nine months of 2016.
- Net sales in 9M 2016 decreased by 1.2% to EUR6.56bn, but grew by 10.0% in local currency. The depreciation of the Brazilian Real and Argentinean Peso was reflected in a forex effect of 11.2% on net sales growth in the period.

## Operating Results

- Adjusted EBITDA climbed by 6.4% (ex-currency) in 9M 2016, with a 0.8% hike in Iberia and a 35.3% increase in Emerging Markets. In Euros, adjusted EBITDA reached EUR429.1m, 0.4% higher than the figure released in the same period last year.
- The adjusted EBITDA margin rose by 11bps in the first nine months of 2016 to 6.5%, supported by the good progress in emerging markets and reflecting the positive mix effect of currency depreciation in the consolidated margin figures.
- Adjusted EBIT slid by 0.1% at constant currency and decreased by 5.6% in Euros to EUR254.4m. This operating result translates into an 18bps decline in the margin over net sales to 3.9%. Adjusted EBIT was affected by the increased depreciation in Iberia, mainly due to acquisitions.
- Non-recurring items declined by 17.7% to EUR66.1m in 9M 2016. The non-recurring items of the period corresponded to the company's restructuring activity. Non-recurring cash items decreased by 25.6% in 9M 2016 to EUR47.7m.
- The accrued expenses related to the Long-Term Incentive Plans represented EUR10.5m in the first nine months of 2016.

## Net Profit

- Net attributable profit increased by 3.3% to EUR107.5m in 9M 2016, with an effective tax rate of 27.4% in the period.
- Underlying net profit amounted to EUR157.2m in 9M 2016, 4.8% down (a 4.7% decline ex-currency) due to the strong increase in financial expenses seen in the emerging markets.

# 9M 2016 Results Summary

| (€m) | 9M 2016 | % | INC | FX effect | INC ex-FX |
|---|---|---|---|---|---|
| Net sales | 6,563.6 | 100.0% | -1.2% | -11.2% | 10.0% |
| Adjusted EBITDA (1) | 429.1 | 6.54% | 0.4% | -6.0% | 6.4% |
| D&A | -174.6 | -2.7% | 10.7% | -6.7% | 17.4% |
| Adjusted EBIT (1) | 254.4 | 3.88% | -5.6% | -5.5% | -0.1% |
| Non-recurring items | -66.1 | -1.0% | -17.7% | -4.5% | -13.2% |
| Non-recurring cash items | -47.7 | -0.7% | -25.7% | | |
| Long-Term Incentive Plans | -10.5 | -0.2% | 81.0% | | |
| Other non-recurring items | -7.9 | -0.1% | -23.6% | | |
| EBIT | 188.3 | 2.9% | -0.5% | -6.0% | 5.5% |
| Net attributable profit | 107.5 | 1.6% | 3.3% | 3.0% | 0.3% |
| Underlying net profit | 157.2 | 2.4% | -4.8% | -0.1% | -4.7% |

Adjusted by non-recurring items

# Review by segment

## Iberia

- Net sales increased by 0.8% in the first nine months to EUR4.31bn. In Q3 2016, net sales declined by 1.7% to EUR1.48bn, with only a EUR10.1m new contribution from the consolidation of the Eroski stores in the quarter. Both Q3 2016 and 9M 2016 sales figures were again impacted by some store closures, remodelling activities (a total of 298 stores have been remodelled in Iberia year-to-date) and the ongoing transfer of stores to the franchised model (149 total operations with franchised stores were completed during the first nine months of 2016).
- Adjusted EBITDA grew by 0.8% in the first nine months of 2016 to EUR360.8m, with a margin over net sales of 8.4%, unchanged versus the same period in 2015. In Q3 2016, operating expenses started to ease, with a decrease of 1.2%, compared to the 6.2% increase accumulated in H1 2016.
- As stated in previous communications, depreciation growth has started to slow down in the second half of 2016. In Q3 2016, depreciation increased by 7.1% in Iberia (vs. 15.7% in H1 2016), but this growth ratio will continue to fall in Q4 2016.
- Adjusted EBIT declined by 3.8% in Q3 2016 to EUR84.8m, reflecting a 12bps decrease in margin over net sales to 5.7%. In the first nine months, adjusted EBIT decreased by 5.2% to EUR225m, reflecting a 33bps fall in margins to 5.2%. The decline in operating margins is almost fully explained by Portugal, though the mix effect of supermarket sales has also impacted these profitability ratios.

| (€m) | Q3 2016 | INC |
|---|---|---|
| Net sales | 1,479.5 | -1.7% |
| Adjusted EBITDA | 130.9 | -0.2% |
| Adjusted EBITDA margin | 8.85% | 14 bps |
| D&A | -46.1 | 7.1% |
| Adjusted EBIT | 84.8 | -3.8% |
| Adjusted EBIT margin | 5.73% | -12 bps |
| **(€m)** | **9M 2016** | **INC** |
| Net sales | 4,306.8 | 0.8% |
| Adjusted EBITDA | 360.8 | 0.8% |
| Adjusted EBITDA margin | 8.38% | 0 bps |
| D&A | -135.8 | 12.6% |
| Adjusted EBIT | 225.0 | -5.2% |
| Adjusted EBIT margin | 5.22% | -33 bps |

Adjusted by non-recurring items

# Emerging Markets

- In 9M 2016, net sales in emerging markets increased by 26.7% in local currency, but declined by 4.8% in Euros due to the average depreciation of the Brazilian Real and Argentinean Peso seen in the first nine months of the year (-11.4% and -38.4% respectively).
- During Q3 2016, sales growth accelerated in Brazil, and maintained very good growth momentum in Argentina.
- Adjusted EBITDA (ex-currency) increased by 32.4% in Q3 2016, while in Euros adjusted EBITDA increased by 3.1% to EUR30.8m. In the first nine months of 2016, adjusted EBITDA increased by 35.3% (ex-currency), but declined by 1.5% in Euros to EUR68.2m. Adjusted EBITDA margin improved by 10bps in the first nine months of the year to 3.0%.
- Adjusted EBIT rose by 32.8% in Q3 2016 and by 37.9% in 9M 2016 (ex-currency). In Euros, adjusted EBIT declined by 8.5% to EUR29.4m in the first nine months of 2016, which reflects 5bps in margin over net sales to 1.3%. In 9M 2016, depreciation increased by 33.1% (ex-currency) due to the high level of investment activity carried out in recent years.

| (€m) | Q3 2016 | INC ex-FX | INC |
|---|---|---|---|
| Net sales | 841.0 | 28.5% | 5.5% |
| Adjusted EBITDA (1) | 30.8 | 32.4% | 3.1% |
| Adjusted EBITDA margin | 3.66% | | -9 bps |
| D&A | -14.4 | | 14.4% |
| Adjusted EBIT (1) | 16.4 | 32.8% | -5.1% |
| Adjusted EBIT margin | 1.94% | | -22 bps |
| **(€m)** | **9M 2016** | **INC ex-FX** | **INC** |
| Net sales | 2,256.9 | 26.7% | -4.8% |
| Adjusted EBITDA (1) | 68.2 | 35.3% | -1.5% |
| Adjusted EBITDA margin | 3.02% | | 10 bps |
| D&A | -38.8 | | 4.5% |
| Adjusted EBIT (1) | 29.4 | 37.9% | -8.5% |
| Adjusted EBIT margin | 1.30% | | -5 bps |

Adjusted by non-recurring items

# Working Capital, Investment and Debt

## Trade Working Capital

- DIA's negative trade working capital fell by 8.2% in Euros to EUR726.7m, but grew by 1.7% ex-currency.
- Inventories were 8.8% higher than last year, 15% higher in constant currency. This growth rate was higher than the change in company sales due the upgrade in models being implemented.
- Trade and other receivables declined by 19.8% in the period, or 16.4% in constant currency. This decline is attributable to the EUR82m of non-recourse factoring from receivables from our suppliers. Adjusted by factoring trade receivables would have increased by 2.5% in the period.
- The value of trade and other payables increased by 2.3% at constant currency but fell by 4.9% in Euros, with a EUR126.7m negative impact from currency depreciation on the value of trade payables.

| (€m) | 30 Sept 2016 | INC | INC ex-FX |
|---|---|---|---|
| Inventories | 641.4 | 8.8% | 15.0% |
| Trade & other receivables | 295.6 | -19.8% | -16.4% |
| Trade & other payables | -1,663.8 | -4.9% | 2.3% |
| Trade Working Capital | -726.7 | -8.2% | 1.7% |

## Capex

- DIA invested EUR261.2m in the first nine months of 2016, almost the same amount as in the same period last year after excluding the investment related to the Eroski asset deal.
- In Iberia, capital expenditure increased by 29.9% in the first nine months to a total of EUR199.1m. Remodelling efforts continued during Q3 2016, a period when investment in new openings represented around 20% of total capital expenditure.
- In Emerging Markets, investment declined by 42.3% in Euros, but only 18.9% in local currency. The decline in investment in constant currency was due to the exceptional investment allocated to Argentina last year, with 122 net openings and a new distribution centre. DIA remains fully committed to its expansion plans in both countries, as reflected in the 5.7% increase in local currency of investment accumulated in Brazil in the first nine months of 2016.

| (€m) | 9M 2016 | % | INC | INC ex-FX |
|---|---|---|---|---|
| Iberia | 199.1 | 76.2% | 29.9% | 29.9% |
| Emerging markets | 62.1 | 23.8% | -42.3% | -18.9% |
| TOTAL Capex | 261.2 | 100.0% | 0.1% | 9.8% |

# Net Debt

- Net debt at the end of September 2016 amounted to EUR1.22bn.
- During Q3 2016, the company invested EUR15.9m in the acquisition of treasury shares to hedge the liabilities related to the 2016-18 Long-Term Incentive Plan. Additionally, last July DIA distributed EUR122.2m in dividends to shareholders and paid EUR7.5m in coupons to bondholders.
- The significant investment effort in Argentina and Brazil in recent years led to a total net debt position of EUR32.6m at the end of September 2016.
- In the first nine months of 2016, the company generated EUR378.5m of cash flow from continuous operations and an operating free cash flow of EUR108.7m.
- The ratio of net debt over the last twelve months' adjusted EBITDA was 2.0x.
- DIA expects to end 2016 with a net debt value from EUR950m to EUR1,000m, which would imply a significant decline in the financial leverage ratio.

| (€m) | 30 Sept 2015 | 31 Dec 2015 | 30 Sept 2016 |
|---|---|---|---|
| Net debt | 1,139.5 | 1,132.4 | 1,221.2 |
| Net debt / Adj. EBITDA LTM | 1.9x | 1.9x | 2.0x |

# Balance Sheet

| (€m) | 30 Sept 2015 | 30 Sept 2016 |
|---|---|---|
| Non-current assets | 2,221.0 | 2,440.5 |
| Inventories | 589.5 | 641.4 |
| Trade & Other receivables | 368.4 | 295.6 |
| Other current assets | 162.3 | 104.6 |
| Cash & Cash equivalents | 136.3 | 121.7 |
| TOTAL ASSETS | 3,477.4 | 3,603.9 |
| | | |
| Total equity | 122.8 | 310.0 |
| Long-term debt | 534.7 | 1,041.4 |
| Short-term debt | 741.1 | 301.6 |
| Trade & Other payables | 1,749.5 | 1,663.8 |
| Provisions & Other current liabilities | 329.4 | 287.1 |
| TOTAL EQUITY & LIABILITIES | 3,477.4 | 3,603.9 |

# Store Count

- At the end of September 2016, DIA operated a total of 7,824 stores, 241 more than in the same period last year. In Q3 2016, DIA added 62 net stores to the company's network.
- DIA converted 67 stores to the new versions in Iberia in the last quarter, reaching a total of 298 transformations in the first nine months of 2016. This process had a temporary impact on sales volumes, as the stores were closed for several weeks while they were being converted to the new commercial models.
- According to the integration and restructuring process of El Arbol, in the first nine months of 2016 a total of 141 stores were upgraded to La Plaza, and 41 stores were closed during the period.
- During Q3 2016, Clarel opened 15 new stores, reaching a total of 46 net openings in the last twelve months, with a final figure of 1,224 stores in operation. During the last quarter, 12 Clarel stores were transferred to the COFO model in Iberia, bringing the total number of franchised stores of this format to 89, which represents 7.3% of the Clarel network.
- Over the last twelve months, the number of Dia banner stores operated under franchised models in Iberia increased by 145, totalling 2,256, which represents 56.6% of the banner.
- In Emerging Markets, DIA ended Q3 2016 with a total of 2,257 stores in operation, which represents the opening of 203 net stores over the last twelve months.
- In Q3 2016, the number of stores operated by local entrepreneurs in DIA's emerging markets increased by 56 to 1,526 stores. With this change, 67.6% of DIA's total stores in emerging markets were already operated under the franchised operational model.

# Number of Stores

| IBERIA | 30 Sept 2015 COCO | Franchise | Total | % | 30 Sept 2016 COCO | Franchise | Total | % | INC |
|---|---|---|---|---|---|---|---|---|---|
| Dia Market | 1,041 | 1,748 | 2,789 | 50.4% | 1,039 | 1,878 | 2,917 | 52.4% | 128 |
| Cada Dia / Mais Perto | 0 | 278 | 278 | 5.0% | 0 | 293 | 293 | 5.3% | 15 |
| Dia Market | 1,041 | 2,026 | 3,067 | 55.5% | 1,039 | 2,171 | 3,210 | 57.7% | 143 |
| Dia Maxi | 674 | 85 | 759 | 13.7% | 689 | 85 | 774 | 13.9% | 15 |
| Dia banner stores | 1,715 | 2,111 | 3,826 | 69.2% | 1,728 | 2,256 | 3,984 | 71.6% | 158 |
| % of Dia banner | 44.8% | 55.2% | 100.0% | | 43.4% | 56.6% | 100.0% | | |
| El Arbol / La Plaza | 525 | 0 | 525 | 9.5% | 359 | 0 | 359 | 6.4% | -166 |
| Clarel | 1,155 | 23 | 1,178 | 21.3% | 1,135 | 89 | 1,224 | 22.0% | 46 |
| Total IBERIA stores | 3,395 | 2,134 | 5,529 | 100% | 3,222 | 2,345 | 5,567 | 100% | 38 |
| % of IBERIA stores | 61.4% | 38.6% | 100.0% | | 57.9% | 42.1% | 100.0% | | |

| EMERGING | COCO | Franchise | Total | % | COCO | Franchise | Total | % | INC |
|---|---|---|---|---|---|---|---|---|---|
| Dia Market | 507 | 1,086 | 1,593 | 77.5% | 500 | 1,184 | 1,684 | 74.6% | 91 |
| Cada DIA / Mais Perto | 0 | 223 | 223 | 10.9% | 0 | 289 | 289 | 12.8% | 66 |
| Dia Market | 507 | 1,309 | 1,816 | 88.4% | 500 | 1,473 | 1,973 | 87.4% | 157 |
| Dia Maxi | 149 | 89 | 238 | 11.6% | 231 | 53 | 284 | 12.6% | 46 |
| Total EM stores | 656 | 1,398 | 2,054 | 100% | 731 | 1,526 | 2,257 | 100% | 203 |
| % of stores | 31.9% | 68.1% | 100.0% | | 32.4% | 67.6% | 100.0% | | |

| TOTAL DIA | COCO | Franchise | Total | % | COCO | Franchise | Total | % | INC |
|---|---|---|---|---|---|---|---|---|---|
| Dia Market | 1,548 | 2,834 | 4,382 | 57.8% | 1,539 | 3,062 | 4,601 | 58.8% | 219 |
| Cada Dia / Mais Perto | 0 | 501 | 501 | 6.6% | 0 | 582 | 582 | 7.4% | 81 |
| Dia Market | 1,548 | 3,335 | 4,883 | 64.4% | 1,539 | 3,644 | 5,183 | 66.2% | 300 |
| Dia Maxi | 823 | 174 | 997 | 13.2% | 920 | 138 | 1,058 | 13.5% | 61 |
| Dia banner stores | 2,371 | 3,509 | 5,880 | 77.5% | 2,459 | 3,782 | 6,241 | 79.8% | 361 |
| % of Dia banner | 40.3% | 59.7% | 100.0% | | 39.4% | 60.6% | 100.0% | | |
| El Arbol / La Plaza | 525 | 0 | 525 | 6.9% | 359 | 0 | 359 | 4.6% | -166 |
| Clarel | 1,155 | 23 | 1,178 | 15.5% | 1,135 | 89 | 1,224 | 15.6% | 46 |
| TOTAL DIA stores | 4,051 | 3,532 | 7,583 | 100% | 3,953 | 3,871 | 7,824 | 100% | 241 |
| % DIA stores | 53.4% | 46.6% | 100.0% | | 50.5% | 49.5% | 100.0% | | |

# Outlook

- Around 10% gross sales under banner growth (in local currency) in 2016.
- Stable adjusted EBITDA margin for full-year 2016.
- Adjusted EBITDA expected to grow from 4% to 5% in 2016 (ex-currency).
- Strong cash generation in full-year 2016.

# Events Following the Close of the Period

- There are no events following the close of the period.

# Corporate Calendar

| Event | Date | Status |
|---|---|---|
| FY 2016 earnings release | Thursday, 23 February 2017 | Confirmed |
| AGM 2016 | Friday, 28 April 2017 | Tentative |
| Q1 2017 earnings release | Thursday, 11 May 2017 | Tentative |
| Dividend distribution | Friday, 14 July 2017 | Tentative |
| H1 2017 earnings release | Thursday, 27 July 2017 | Tentative |
| 9M 2017 earnings release | Thursday, 26 October 2017 | Tentative |

# Change in Currency Rates

| Period | € / Argentinean Peso | € / Brazilian Real | € / Chinese Yuan |
|---|---|---|---|
| Q1 2015 average | 0.1023 | 0.3109 | 0.1425 |
| Q1 2016 average | 0.0629 | 0.2329 | 0.1387 |
| Q1 2016 change (1) | -38.5% | -25.1% | -2.7% |
| Q2 2015 average | 0.1010 | 0.2945 | 0.1457 |
| Q2 2016 average | 0.0626 | 0.2431 | 0.1371 |
| Q2 2016 change (1) | -38.1% | -17.4% | -5.9% |
| Q3 2015 average | 0.0973 | 0.2557 | 0.1427 |
| Q3 2016 average | 0.0599 | 0.2760 | 0.1344 |
| Q3 2016 change (1) | -38.4% | 8.0% | -5.9% |
| 9M 2015 average | 0.1002 | 0.2867 | 0.1437 |
| 9M 2016 average | 0.0617 | 0.2541 | 0.1362 |
| 9M 2016 change (1) | -38.4% | -11.4% | -5.2% |

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

# 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 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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