14 May 2019

Unaudited

Q1/2019

DIA

• On 28 March 2019, L1R Invest1 Holding S.à.r.l. (LetterOne) launched a Voluntary Tender Offer for all the shares of the Company not already held by LetterOne. In this context, on 9 April 2019 the Board of Directors issued its formal report in which it expressed a favourable opinion with respect to the Offer and highlighted the current downward trend of the business.
• On 26 April 2019, the Company released a Trading Update on the estimated consolidated financial information for Q1 2019.
• On 6 May 2019, the CNMV approved LetterOne's changes to the VTO terms and the consideration of the Offer Price as an "equitable price", extending the deadline for the acceptance period of the Voluntary Tender Offer to 13 May 2019.

Highlights

- In Q1 2019, Gross Sales Under Banner fell by 14% to EUR2.03bn (2.3% down ex-currency). Comparable (Like-for-Like) sales growth was -4.3% for the Group compared to -3.8% in the same period of 2018, showing a negative trend and a gradual deterioration during the period, as already included in the Trading Update published on 26 April 2019.
- Adjusted EBITDA[1] amounted to EUR12.0m in Q1 2019, 85.8% lower than in the same period last year, as a result of the negative earnings impact related to the sales decline, the incremental volume of labour, rental, and utilities costs in the period, and due to the new more conservative definition being used in 2019 (which does not exclude certain costs).
- EBITDA in Q1 2019 fell to EUR12.4m compared to EUR55.5m in the same period last year. Apart from the negative operational impacts already described above, the negative impact from one-off restructuring items (mostly the EUR38.8m provision for the Redundancy Plan) was more than offset by the sizeable EUR76.0m positive effect resulting from the application of IFRS 16.
- Net Financial Debt (which excludes IFRS 16) amounted to EUR1,702m by the end of March 2019, which represents an increase of EUR251m versus 2018 year-end figures.
- The company's consolidated balance sheet shows negative equity of EUR308.5m by the end of March 2019 (EUR174.9m negative in the Parent Company versus EUR99m negative as of 31 December 2018).

Financial summary (€m)	Q1 2018 (*)	Q1 2019	Change (%)	Change (% ex-FX)
Net sales	1,793.0	1,664.6	-7.2%	6.1%
Operating income (EBIT)	(6.1)	(119.9)	-	-
Net attributable profit	(16.2)	(144.4)	-	-

(*) Including in the Q1 2018 figures as re-expressed in the 2018 Annual Accounts: (i) the IAS 29 hyperinflation adjustment of Argentina, and (ii) the consolidation of CDSI.

[1] The Adjusted EBITDA definition has been updated in 2019 (see "Definition of APMs) to: (i) exclude the effect of IAS 29 and IFRS 16 and (ii) include as ordinary operational expenses or revenues –to be more conservative- those related to store remodellings and closings and long-term incentive programs (LTIP).

Q1 2019 Results

(€m)	Q1 2018[1]	%	Q1 2019	%	Change (%)	Change (% ex-FX)
Net sales	**1,793.0**	**100.0%**	**1,664.6**	**100.0%**	**-7.2%**	**6.1%**
Cost of goods sold & other income	(1,404.0)	-78.3%	(1,317.7)	-79.2%	-6.1%	8.5%
Gross profit	**388.9**	**21.7%**	**346.9**	**20.8%**	**-10.8%**	**-2.4%**
Labour costs	(157.9)	-8.8%	(179.5)	-10.8%	13.7%	24.8%
Other operating expenses	(87.1)	-4.9%	(81.3)	-4.9%	-6.6%	11.4%
Leased property expenses	(70.9)	-4.0%	(6.7)	-0.4%	-90.5%	-90.3%
Restructuring costs	(25.2)	-1.4%	(67.0)	-3.7%		
Gain/Losses on disposal of assets	7.7	0.4%	-	0.0%		
EBITDA	**55.5**	**3.1%**	**12.4**	**0.7%**	**-77.7%**	
D&A	(55.8)	-3.1%	(126.6)	-7.6%		
Impairment	(3.0)	-0.2%	(2.0)	-0.1%		
Write-off of fixed assets	(2.8)	-0.2%	(3.7)	-0.2%		
EBIT	**(6.1)**	**-0.3%**	**(119.9)**	**-7.2%**		
Net financial results	(3.0)	-0.2%	(35.8)	-2.2%		
EBT	**(9.1)**	**-0.5%**	**(155.8)**	**-9.4%**		
Income taxes	(5.3)	-0.3%	15.3	0.9%		
Consolidated profit	**(14.4)**	**-0.8%**	**(140.5)**	**-8.4%**		
Discontinuing operations	(2.0)	-0.1%	(3.9)	-0.2%		
Non-controlling interests	(0.1)	-0.0%	-	-		
Net attributable profit	**(16.2)**	**-0.9%**	**(144.4)**	**-8.7%**		

(1) Including in the Q1 2018 figures as re-expressed in the 2018 Annual Accounts: (i) the IAS 29 hyperinflation adjustment of Argentina, and (ii) the consolidation of CDSI

In Q1 2019, the DIA Group's Net Sales decreased by 7.2% to EUR1.66bn, but were up by 6.1% in local currency. This sales performance reflected a 13.3% negative effect from currencies due to the 45.4% and 6.8% depreciation of the Argentinean Peso and Brazilian Real in the period.

The evolution of Comparable Sales (Like-for-Like) in Q1 2019 (both month-by-month, and for the full Q1 2019), also compared to the Q4 2018 figure, shows and confirms the negative trend and the progressive deterioration during the period already included in the Board's Report.

Like-for-Like	Q4 2018	Jan-19	Feb-19	Mar-19	Q1 2019
DIA Group	-3.4%	-1.6%	-3.2%	-7.9%	-4.3%

This downward trend is primarily driven by the negative impact that the uncertainty surrounding the Company's financial situation has had on our suppliers.

The release on 8 February 2019 of the Company's 2018 Annual Accounts (showing negative shareholder equity and triggering a short-term dissolution threat), together with other factors such as: near-term debt maturities and refinancing risk, uncertainty about the outcome of the then-forthcoming Annual Shareholders' Meeting held on 20 March 2019, rating agencies' comments and overall headline noise, led to a negative public perception about the Company which, amplified by harsh risk-cutting decisions made by trade insurance companies at that time, resulted in a level of supplier tightening that started to affect the supply chain, resulting in a substantial increase in out-of-stock levels in our warehouses and stores, which ultimately translated into lower sales.

The current context of top-line deterioration and sales decline resulting from the above-mentioned capital structure uncertainty is extremely challenging for the Company's operations and sustainability, which, coupled with the forthcoming deadline on 20 May 2019 to resolve the negative equity situation and the syndicated debt maturity on 31 May 2019, leave the Company in a very tight and fragile position.

However, if any of the required elements to stabilize the Company's capital structure and liquidity in the very short term fail to happen in a timely manner, the situation could deteriorate rapidly and the Company could eventually be forced to file for creditor protection and/or liquidation.

The eventual combination in the very short term of: (i) LetterOne's gaining control of the Company following the VTO (the acceptance period of which finalized on 13 May 2019), (ii) an agreement between LetterOne and the Lenders about the long-term refinancing of the syndicated financial indebtedness, and (iii) the completion of the EUR500m capital increase approved in the last Annual General Meeting should mitigate the existing uncertainty, eliminate supplier unrest, and provide the basis needed for the successful commercial turnaround of the Company.

However, if any of the required elements to stabilise the Company's capital structure and liquidity in the very short term fail to happen in a timely manner, the situation could deteriorate rapidly and the Company could eventually be forced to file for creditor protection and/or liquidation.

Gross Profit (as a percentage of Net Sales) remained relatively stable in Q1 2019 at 20.8% (versus 21.7% in Q1 2018).

The following table further explains the Adjusted EBITDA performance during the period:

EBITDA to Adjusted EBITDA reconciliation

(€m)	Q1 2018	Q1 2019	Change
EBITDA	**55.5**	**12.4**	**-43.1**
Restructuring costs	**25.2**	**67.0**	**41.8**
Store remodellings	5.7	0.0	-5.7
Expenses relating to transfer of own stores to franchisees	2.9	3.6	0.7
Expenses relating to store closings	8.5	0.2	-8.3
Expenses relating to DC closings	0.0	5.6	5.6
Efficiency projects & severance payments	6.6	40.7	34.1
Advisory fees and other	0.5	16.9	16.4
Expenses related to share-based payment programmes	1.0	0.0	-1.0
Gains/Losses on disposal of fixed assets	**(7.7)**	**0.0**	**7.7**
IFRS 16 lease effect	**0.0**	**(76.0)**	**-76.0**
IAS 29 hyperinflation effect	**11.8**	**8.7**	**-3.1**
Adjusted EBITDA	**84.8**	**12.0**	**-72.8**

With respect to the Restructuring Costs, the material increase in Q1 2019 is primarily resulting from: (i) the EUR38.8m provision accrued for the total estimated costs related to the Redundancy Plan approved, and (ii) the EUR16.9m namely due to exceptional one-off fees related to financial and corporate advice, auditors, forensic services, legal advice, strategy consultants, and the preparation of the EUR600m capital increase presented at the Annual Shareholders' Meeting.

The effect of the initial application in 2019 of new IFRS 16 (without restating 2018 for comparative purposes) and that of IAS 29 is shown separately in the table, and complete the explanation of the evolution of the items excluded from Adjusted EBITDA.

It is important to note that the Adjusted EBITDA definition has been updated in 2019 to: (i) exclude the effect of IAS 29 and IFRS 16 and (ii) include –to be more conservative – as ordinary operational expenses or revenues, those related to store remodellings and closings and long-term incentive programmes (LTIP).

Adjusted EBITDA fell to EUR12.0m during Q1 2019, representing a decrease of 85.8% from EUR84.8m during the same period last year, mainly impacted by:

I. The more conservative definition of Adjusted EBITDA applied in 2019, which now includes items (i.e. store remodellings and closings and long-term incentive programmes) that have affected Q1 2019 Adjusted EBITDA by EUR22.1m compared to the same period in 2018.

II. The deterioration coming from the ordinary business, including:

a. The drop in commercial margin resulting from a combination of overall sales decline and short-term upfront costs related to strategic initiatives implemented by the company that will result in incremental sales and client traffic in the medium to long term;

b. The increase in labour costs associated with the de-franchising process (COFO to COCO) that is being carried out in Spain and Brazil to improve store performance (which is expected to have a positive contribution to sales in the mid and long term);

c. The increase in rental expenses stemming from the sale-leaseback agreements entered into in the recent past; and

d. The increase in other Opex resulting mostly from utilities and maintenance.

Depreciation and amortisation more than doubled in Q1 2019 (from EUR55.8m to EUR126.6m) due to the new application of IFRS 16. Adjusted for this exceptional effect, depreciation would have been set at EUR59.9m during the period, 7.3% more than in the same period last year.

Financial results

(€m)	Q1 2018	Q1 2019	Change
Finance income	1.6	0.7	-0.9
Interest expenses	(10.2)	(17.8)	-7.6
Other financial expenses	(6.9)	(7.6)	-0.8
Refinancing costs	0.0	(7.0)	-7.0
FX differences	(0.5)	(3.7)	-3.2
IFRS 16 related financial costs	0.0	(16.8)	-16.8
Gains from net monetary position (IAS 29)	12.0	16.4	4.3
P&L from financial instruments	0.0	(0.1)	-0.1
P&L of companies accounted under equity method	1.0	0.1	-0.9
NET FINANCIAL RESULTS	**(3.0)**	**(35.8)**	**-32.9**

In Q1 2019, the Group's net financial expenses amounted to EUR35.8m, which compares with EUR3.0m expenses of the re-expressed figures in the same period last year. This EUR32.9m increase is firstly due to the new application of IFRS 16 in Q1 2019, which had a EUR16.8m impact on the financial results. On top of that, the higher amounts of average financial net debt held during the period and its substantially higher cost translated into EUR7.6m higher interest financial costs (from EUR10.2m to EUR17.8m). Finally, the costs related to the refinancing process had an exceptional effect of EUR7.0m.

The discontinuation of the 'Clarel' and 'Max Descuento' operations had a negative impact of EUR3.9m on Net Profit in Q1 2019.

After all these special effects seen during the quarter, the net attributable loss amounted to EUR144.4m in Q1 2019 (versus a EUR16.2m loss in the re-expressed Q1 2018 accounts).

Information by country

DIA GROUP [1] (EURm)	Q1 2018	%	Q1 2019	%	Change (%)	Change (% ex-FX)
Gross sales under banner	**2,359.5**		**2,028.1**		**-14.0%**	**-2.3%**
Like-for-like sales growth	-3.8%		-4.3%			
Net sales [3]	**1,793.0**	**100.0%**	**1,664.6**	**100.0%**	**-7.2%**	**6.1%**
Cost of goods sold & Opex	(1,708.2)		(1,652.9)		-3.2%	
Adjusted EBITDA [2]	**84.8**	**4.7%**	**12.0**	**0.7%**	**-85.8%**	**-83.6%**

SPAIN [1] (EURm)	Q1 2018	%	Q1 2019	%	Change (%)
Gross sales under banner	**1,208.0**		**1,165.6**		**-3.5%**
Like-for-like sales growth	-3.0%		-4.4%		
Net sales	**1,010.9**	**100.0%**	**975.6**	**100.0%**	**-3.5%**
Cost of goods sold & Opex	(954.9)		(960.9)		0.6%
Adjusted EBITDA [2]	**56.1**	**5.5%**	**14.7**	**1.5%**	**-73.8%**

PORTUGAL [1] (EURm)	Q1 2018	%	Q1 2019	%	Change (%)
Gross sales under banner	**186.9**		**180.8**		**-3.2%**
Like-for-like sales growth	-3.1%		-3.9%		
Net sales	**146.9**	**100.0%**	**138.8**	**100.0%**	**-5.6%**
Cost of goods sold & Opex	(139.3)		(136.3)		-2.1%
Adjusted EBITDA [2]	**7.6**	**5.2%**	**2.4**	**1.8%**	**-68.2%**

ARGENTINA (EURm)	Q1 2018	%	Q1 2019	%	Change (%)	Change (% ex-FX)
Gross sales under banner	**560.8**		**303.6**		**-45.9%**	**-1.1%**
Like-for-like sales growth	-0.9%		-6.6%			
Net sales [3]	**288.5**	**100.0%**	**223.2**	**100.0%**	**-22.6%**	**51.8%**
Cost of goods sold & Opex	(282.7)		(220.4)		-22.0%	-
Adjusted EBITDA [2]	**5.8**	**2.0%**	**2.8**	**1.2%**	**-51.6%**	**-10.1%**

BRAZIL (EURm)	Q1 2018	%	Q1 2019	%	Change (%)	Change (% ex-FX)
Gross sales under banner	**403.8**		**378.0**		**-6.4%**	**0.4%**
Like-for-like sales growth	-11.4%		-0.8%			
Net sales	**346.5**	**100.0%**	**327.0**	**100.0%**	**-5.6%**	**1.1%**
Cost of goods sold & Opex	(331.3)		(335.2)		1.2%	-
Adjusted EBITDA [2]	**15.3**	**4.4%**	**(7.9)**	**-2.4%**	**-**	**-**

(1) With Clarel and Max Descuento as discontinued activities
(2) Adjusted by Restructuring Costs, IFRS 16 and IAS 29
(3) Includes EUR0.3m and EUR12.8m negative IAS 29 impact in net sales in Q1 2018 and Q1 2019 respectively

Gross Sales in Spain declined by 3.5% in Q1 2019 to EUR1.17bn, while Net Sales also went down by the same percentage during the period to EUR0.98bn. This negative performance was due to the negative 4.4% Comparable Sales, while the store selling area during the period was almost flat.

By format, La Plaza, and the Dia&Go stores increased sales, but the other stores declined in terms of volumes, particularly those operated in suburban locations. Adjusted EBITDA generated in the country decreased by 73.8% to EUR14.7m, reflecting 400bps margin erosion to 1.5%. Online Gross Sales Under Banner increased by 10.2% in Q1 2019 to EUR19.3m, which represents 1.7% of total gross sales in Spain.

With regards to Portugal, gross sales under banner went down by 3.2% in Q1 2019 to EUR181m, while net sales decreased by 5.6% during the same period to EUR139m. This negative performance was related to the negative 3.9% Comparable Sales and the contraction of the commercial space by 1.4%. Adjusted EBITDA went down by 68.2% to EUR2.4m, a 340bps margin erosion to 1.8%.

In Argentina, Gross Sales Under Banner fell by 45.9% to EUR304m, but only declined by 1.1% in local currency. Net sales fell by 18.3% to EUR236m before applying IAS 29, 22.6% after IAS 29 (51.8% up in local currency). Despite the challenging macroeconomic environment and the sharp decline in private consumption related to the spike in inflation and severe currency depreciation, business in local currency performed relatively well in Q1 2019. Volume comparable sales growth slid by 6.6% but clearly outperformed the market as reflected in the continued material increase in market share. Adjusted EBITDA in Q1 2019 was EUR-5.9m after the EUR8.7m impact from the application of IAS 29. Isolating this effect, the comparable figure of adjusted EBITDA would have been EUR2.8m in Q1 2019, -51.6% down versus Q1 2018 (-10.1% ex-currency), reflecting an 80bps decline in the Adjusted EBITDA margin to 1.2%.

In Brazil, Gross Sales Under Banner fell by 6.4% to EUR378m (0.4% up ex-currency) with comparable sales down by 0.8% and 2.0% additional retail space. Adjusted EBITDA figure of the period declined to EUR-7.9m. The business is being affected by the supplier tightening, the disfranchising process needed to improve the current network, and also due to the Opex and Capex catch-up needed to improve the shopping experience of our customers.

Balance Sheet

(€m)	31 Dec 2018	31 Mar 2019
Non-current assets	2,072.4	2,708.8
Inventories	531.7	489.2
Trade & Other receivables	192.3	124.2
Other current assets	66.9	74.5
Cash & Cash equivalents	239.8	118.2
Non-current assets held for sale	168.7	168.0
TOTAL ASSETS	**3,271.8**	**3,682.8**
Total equity	(166.1)	(308.5)
Long-term debt	919.1	1,437.6
Short-term debt	772.4	1,058.4
Trade & Other payables	1,442.5	1,229.2
Provisions & Other current liabilities	280.8	249.7
Liabilities associated with assets held for sale	23.1	16.5
TOTAL EQUITY & LIABILITIES	**3,271.8**	**3,682.8**

The application in 2019 of the new IFRS 16 has resulted in an incremental impact of EUR670m on the Company's consolidated balance sheet (mostly in the Non-current Assets, and the Long&Short Term Debt captions).

As a consequence of the EUR144.4m net losses reported in Q1 2019, the company's consolidated equity worsened into a negative figure of EUR308.5m by the end of March 2019, with EUR174.9m negative equity in the parent company (vs. EUR99m negative equity by year-end 2018).

Trade Working Capital

(€m)	Dec-18	Mar-19	Change
Confirming	*199.9*	*186.5*	*-13.4*
Non-recourse factoring	*126.4*	*38.1*	*-88.3*
Inventories (A)	531.7	489.2	-42.4
Trade & other receivables (B)	192.3	124.2	-68.1
Trade & other payables (C)	1,442.5	1,229.2	-213.3
Trade Working Capital (1)	**-718.6**	**-615.7**	**102.8**

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

From December 2018 to March 2019, DIA's negative Trade Working Capital declined by 14.3% to EUR615.7m. This EUR102.8m decrease in the value of negative Trade Working Capital is attributable to:

I. The declining volume of sales of the period, both related to the underlying performance of the business and seasonality, as the first quarter of the year is a period with a lower volume of sales than the last quarter.

II. The shorter payment period to suppliers in recent months linked to the tight financial situation of the Company.

III. The lower volume of commercial financing (non-recourse factoring and confirming).

IV. Continued depreciation of currencies in Argentina in early 2019.

The value of inventories declined by 8.0% versus December 2018, EUR42.4m down to EUR489.2m thanks to the more efficient management of stock in stores and distribution centres.

Trade and other receivables decreased by 35.4% compared to year-end 2018. This EUR68.1m decline in the value of debtors is due to the declining volume of activity with franchisees, and the typically limited negotiation activity with suppliers in the early part of fiscal year 2019.

The value of trade and other payables decreased by 14.8%, from EUR1,44m to EUR1,23bn. This decline of EUR213.3m relates to the challenging business conditions already mentioned in the last period, which resulted in substantially lower-than-average payment periods to suppliers.

Non-recourse factoring from receivables from our suppliers amounted to EUR38.1m by the end of March 2019, having a material impact in the evolution of Trade Working Capital figures, which compares with EUR126.4m at the end of 2018.

By the end of March 2019, the company provided confirming operations for a total of EUR186.5m, which compares with EUR199.9m held at the end of 2018.

Capex

(€m)	Q1 2018	%	Q1 2019	%	Change (%)	Change (% ex-FX)
Spain	64.9	72.1%	16.0	77.8%	-75.4%	-75.4%
Portugal	6.9	7.6%	0.5	2.6%	-92.4%	-92.4%
Argentina	5.9	6.5%	0.1	0.7%	-97.5%	-95.1%
Brazil	12.4	13.8%	3.9	18.9%	-68.7%	-66.5%
TOTAL Capex	**90.1**	**100.0%**	**20.6**	**100.0%**	**-77.2%**	**-76.7%**

DIA invested EUR20.6m in Q1 2019 (of which more than two-thirds were related to on-going and maintenance investments), EUR69.5m less than in the same period last year (a 77% decrease in Euros).

Net Debt

(€m)	31 Dec 2018	31 Mar 2019
Net Financial Debt	1,451.6	1,702.2
Other net debt (IFRS 16)	-	675.5
Total Net Debt	**1,451.6**	**2,377.7**

Total Net Debt at the end of March 2019 amounted to EUR2,378m, of which EUR675.5m corresponded to the new application of the accounting standard IFRS 16. Therefore, Net Financial Debt was EUR1,702m at the end of March 2019, EUR250.6m higher than at year-end 2018.

There are three main reasons behind the increase in Net Financial Debt during the period:

I. The sharp decline in operating results (EBIT went down to EUR119.9m loss).

II. The deterioration of Trade Working Capital (EUR102.8m decrease vs Dec 2018).

III. The reduced volume of commercial financing available through factoring and confirming lines.

Change in Net Financial Debt

(€m)	Q1 2019
Net financial debt at the beginning of the period (31 Dec 2018)	**1,451.6**
EBITDA	(12.4)
Capital expenditure paid (cash)	76.9
Divestment of assets	(0.5)
Net change in trade working capital	102.8
Net financial results	35.8
Corporate taxes paid	1.5
Discontinued activities	9.5
IFRS 16 impact on EBITDA	76.0
Change in FX & other non-cash components	(39.1)
Net financial debt at the end of the period (31 March 2019)	**1,702.2**

Store Count

At the end of March 2019, DIA operated a total of 6,087 stores, 7 less than at the end of the same period last year, accumulating 304 new openings and 311 closures in the last twelve months. This final number excludes the 34 stores of 'Max Descuento' and 1,280 'Clarel' in Spain and Portugal, categorised as discontinued operations since year-end 2018.

In Q1 2019, the number of stores declined by 20 in Spain (from 3,474 to 3,454), after the opening of 2 new stores and the closure of 22 stores. Q1 2019 was also special in terms of franchised activity, as the company transferred 83 net stores back to own from franchised operations. This change is due to the new company policy to seek higher-quality franchise partners to provide customers with a better shopping experience. This policy will continue during 2019 and should be reflected in another material number of transfers from franchised to owned stores. With regards to store selling area, by the end of March 2019, total space increased by 0.3% compared with the same period last year.

In Portugal, the total number of stores declined by 4 in Q1 2019, from 532 to 528. The number of franchised stores decreased from 309 to 299 in the first quarter of the year.

Argentina ended March 2019 with 950 stores in operation, 29 less than in the 2018 year-end, totalling 2 openings and 31closures during the first quarter of the year. The major portion of the stores closured in Argentina last quarter corresponded to the termination of the Masterfranchise activities in Paraguay. With regards to franchised activity, a total of 6 net stores were transferred during the period, to a total of 658 franchised stores at the end of Q1 2019, which represents 69.3% of the store network in the country.

In Brazil, the company opened 21 stores during the first quarter of the year but closed 38, all of them franchised. The total number of stores therefore declined by 17 net stores, from 1,172 to 1,155.

Summary of stores

31 March 2019			
DIA GROUP (1)	**Owned**	**Franchised**	**TOTAL**
Total stores at 31 March 2018	**2,490**	**3,604**	**6,094**
New openings (last twelve months)	**151**	**153**	**304**
Owned to franchised net transfers (last twelve months)	**106**	**-106**	**0**
Closings (last twelve months)	**-24**	**-287**	**-311**
Total DIA GROUP stores at 31 March 2019	**2,723**	**3,364**	**6,087**

SPAIN (1)	**Owned**	**Franchised**	**TOTAL**
Total stores at 31 March 2018	1,503	1,986	3,489
New openings (last twelve months)	28	22	50
Owned to franchised net transfers (last twelve months)	161	-161	0
Closings (last twelve months)	-7	-78	-85
Total DIA GROUP stores at 31 March 2019	**1,685**	**1,769**	**3,454**

PORTUGAL (1)	**Owned**	**Franchised**	**TOTAL**
Total stores at 31 March 2018	246	305	551
New openings (last twelve months)	3	17	20
Owned to franchised net transfers (last twelve months)	-15	15	0
Closings (last twelve months)	-5	-38	-43
Total DIA GROUP stores 31 March 2019	**229**	**299**	**528**

ARGENTINA	**Owned**	**Franchised**	**TOTAL**
Total stores at 31 March 2018	306	630	936
New openings (last twelve months)	29	54	83
Owned to franchised net transfers (last twelve months)	-32	32	0
Closings (last twelve months)	-11	-58	-69
Total DIA GROUP stores at 31 March 2019	**292**	**658**	**950**

BRAZIL	**Owned**	**Franchised**	**TOTAL**
Total stores at 31 March 2018	435	683	1,118
New openings (last twelve months)	91	60	151
Owned to franchised net transfers (last twelve months)	-8	8	0
Closings (last twelve months)	-1	-113	-114
Total DIA GROUP stores at 31 March 2019	**517**	**638**	**1,155**

(1) By end of March 2019 DIA also operated 1,209 Clarel and 34 Max Descuento stores in Spain and 71 Clarel in Portugal

Events Following the Close of the Period

- On April 9th 2019, the company made a communication in reference to the notices dated 28 and 29 March 2019 disclosing the authorization and acceptance period of the voluntary takeover bid launched by L1R Invest1 Holding S.à r.l. for all the shares representing DIA's share capital at an initial price of 0.67 euros per share. In accordance with article 134.4 of the Securities Market Act and article 24 of Royal Decree 1066/2007 of 27 July on the rules applicable to takeover bids for securities, the Company submits the mandatory Report from DIA's Board of Directors in connection with the Bid, unanimously approved during the Board meeting held on the date hereof with all the Directors being present.

- On April 26th 2019, the company disclosed the agreement with its financial syndicated lenders to amend the current EUR912.1m syndicated facilities agreement. As a result of the amendment, the obligations to launch an increase of its share capital (or any other equity-like instrument) in terms and conditions acceptable for the financial syndicated lenders have been extended until 31 May 2019.

- On April 26th 2019, the company released a trading update on estimated unaudited results regarding the consolidated financial information for Q1 2019.

- On May 6th 2019, CNMV extended the deadline for the acceptance period of the Voluntary Tender Offer to May 13th 2019.

Corporate Calendar

Event	Date/s	Status
H1 2019 results	Wednesday, 31 July 2019	Tentative
9M 2019 results	Thursday, 14 November 2019	Tentative

Change in Currency Rates

Period	€ / Argentinean Peso	€ / Brazilian Real
Q1 2018 average	0.0414	0.2507
Q1 2019 average	0.0226	0.2337
Q1 2019 change (1)	**-45.4%**	**-6.8%**

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

Definition of APMs

In the preparation of the financial information that is reported internally and externally, the Directors of DIA have adopted a series of Alternative Performance Measures (APMs) to gain a better understanding of the business performance. These APMs have been chosen according to the company's activity profile and taking into account the information of business performance commonly published by other international peers. Nevertheless, these APMs may or may not be totally comparable with those of other companies in the same industry. In all cases, APMs should be considered as data that are not intended to replace (or be superior to) IFRS measurements.

PURPOSE

The purpose of these APMs is to assist in the understanding of the business performance by providing additional useful information about the underlying performance of the activity and financial position of the company.

APMs are also used to enhance the comparability of information between reporting periods and geographical units by adjusting for other cost and revenue items or uncontrollable factors that affect IFRS measures. APMs are therefore used by Directors and management for performance analysis, planning, reporting, and incentive-setting purposes.

CHANGES TO APMs

The Adjusted EBITDA definition has been updated in 2019 to:

I. Exclude the effect of IAS 29 and IFRS 16,

II. Include as ordinary operational expenses or revenues –to be more conservative – those related to store remodellings and closings and long-term incentive programs (LTIP).

- 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 TO GROSS SALES UNDER BANNER RECONCILIATION

(€m)	Q1 2018	Q1 2019	Change (%)
Net sales	1,793.0	1,664.6	-7.2%
VAT and other	566.5	363.5	-35.8%
GROSS SALES UNDER BANNER	**2,359.5**	**2,028.1**	**-14.0%**

- LFL growth of Gross Sales 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 conditions. To be more conservative in applying this definition, LFL figures reported in this document exclude from the comparison base of calculation only those stores that have been closed for significant remodelling activities or severely impacted by external objective reasons. Additionally, the new LFL figures corresponding to Argentina have been deflated using internal inflation to reflect volume LFL, avoiding hyperinflationary misleading nominal calculations.

- Adjusted EBITDA: Operating profit that is calculated after adding back to EBIT depreciation and amortisation (including amortization related to the closing of stores and impairment of fixed assets), losses on the write down of fixed assets, impairment of fixed assets, restructuring costs, gain and losses on disposal of fixed assets and the effect related to the application of IAS 29 and IFRS 16.

EBIT TO ADJUSTED EBITDA RECONCILIATION

(€m)	Q1 2018	Q1 2019	Change
EBIT	(6.1)	(119.9)	-113.8
Depreciation & Amortization	55.8	126.6	70.8
Losses on write-off of fixed assets	2.8	3.7	0.8
Impairment of fixed assets	3.0	2.0	-1.0
EBITDA	**55.5**	**12.4**	**-43.1**
Restructuring costs	25.2	67.0	41.8
Gain/Loss on disposal of fixed assets	(7.7)	0.0	7.7
IFRS 16 lease effect	0.0	(76.0)	-76.0
IAS 29 hyperinflation effect	11.8	8.7	-3.1
ADJUSTED EBITDA	**84.8**	**12.0**	**-72.8**

- Net Financial Debt: Is the result of subtracting from the total value of the Company's short-term and long-term debt, the total value of its cash, cash equivalents, and other liquid assets and the debt related effect from the application of IFRS 16. All the information necessary to calculate the company's net debt is included in the balance sheet.

NET DEBT RECONCILIATION

(€m)	Q1 2018	Q1 2019	Change
Long-term debt	919.1	1,437.6	518.5
Short-term debt	772.4	1,058.4	286.0
Cash & Cash equivalents	(239.8)	(118.2)	121.6
TOTAL NET DEBT	**1,451.6**	**2,377.7**	**926.2**
IFRS 16 related debt effect	0.0	(675.5)	-675.5
NET FINANCIAL DEBT	**1,451.6**	**1,702.2**	**250.7**

Investor Relations

Phone: +34 91 398 54 00, Ext: 33890
Email: investor.relations@diagroup.com

External Relations

Phone: +34 91 398 54 00, Ext. 33886
Email: comunicacion@diagroup.com
Twitter: @DIA_Group

Parque Empresarial Las Rozas
Jacinto Benavente, 2 A
28232 - Las Rozas (Madrid)
SPAIN

Disclaimer

This document does not constitute a purchase, sale or exchange of securities invitation or offer, nor does it constitute advice on any securities issued by DIA.

DIA cautions that this document contains forward-looking statements found in various places throughout the presentation and include, without limitation, estimates, projections or forecasts relating to possible future trends and the performance of DIA. These forward-looking statements speak only as of the date on which they are made and the information, knowledge and views available on the date on which they are made; such knowledge, information and views may change at any time. Forward-looking statements may be identified by words such as "expects", "anticipates", "forecasts", "estimates" and similar expressions. Current and future analysts, brokers and investors must operate only on the basis of their own judgment taking into account this disclaimer, and must bear in mind that these estimates, projections and forecasts do not imply any guarantee of DIA's future performance and results, price, margins, exchange rates, or other events, which is why they do not constitute a guarantee of future compliance and are subject to risks, uncertainties and other factors beyond DIA's control and may cause that the final results and outcome differ from those contained in said estimates, projections and forecasts. In consequence, the future results and the real performance could differ substantially from these forecasts, projections and estimates.

The risks and uncertainties that could affect the information provided are very difficult to anticipate and predict. DIA does not assume the obligation of publicly reviewing or updating these statements in case unforeseen changes or events occur which could affect these statements. DIA provides information on these and other factors that could affect the business and the results in the documents it presents to the CNMV (Comisión Nacional del Mercado de Valores) in Spain. This information is subject to, and must be read in conjunction with, all other publicly available information.

Accordingly, these estimates, projections and forecasts must not be taken as a guarantee of future results, and the directors are not responsible for any possible deviation that could arise in terms of the different factors that influence the future performance of the company. Neither the company, its directors, nor its representatives shall have any liability whatsoever for any loss arising from any use of this document or its contents, or otherwise arising in connection with this document.

This document contains some expressions (gross sales under banner, comparable growth of gross sales under banner, adjusted EBITDA, etc...) which are not IFRS (International Financial Reporting Standards) measures.

In addition, it is stated that the present document may contain confidential information which may be also considered inside information, which is why the recipient of the same shall assess such circumstance and comply, where applicable, with applicable obligations under market abuse regulations.

This interim Report is published in Spanish and English. In the event that any difference between the English version and the Spanish original exists, the Spanish version shall prevail.