

1 Letter from the CEO

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Borja de la Cierva Álvarez de Sotomayor **CEO, DIA Group**

Dear shareholders

2018 has been marked by significant changes in the company and the important decisions we have taken that will lay the foundations for the future of the DIA Group and all its stakeholders. A new stage characterized by a solid and reliable financial position, which will allow us to build on the profitable growth of a great company that already has a 40-year history. Four decades of continuous activity focused on offering the best consumer solutions to customers, with an unbeatable offer of proximity and approachability.

It has of course, been a complicated year; perhaps the most crucial since the company was founded. We have had to review and restate the accounts and undertake significant changes that are duly reflected in this report. We are also facing unique and extraordinary times however, which will mark the positive future of the company in the years to come.

The Group's new circumstances have compelled us to make some painful decisions this year, focused on putting the company back on track and recovering its viability with the aim of concentrating efforts on a commercial offering that appeals to our customers.

It will certainly not be an easy journey. In addition to the challenges posed by this need for internal reorganisation, we are also faced with an extremely competitive distribution sector in all the countries where the DIA Group operates, but I am convinced that we will succeed.

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Letter from the CEO

Firstly, we have an excellent group of professionals who have demonstrated their commitment. Thank-you to all those people who make up the DIA Group for your professionalism and outstanding performance over so many years and, particularly, in the last year.

Secondly, we have a unique business plan that will put the client at the heart of the company's decision-making. The transformational change to our commercial offering coupled with rejuvenated stores and formats alongside a renewed commitment to our franchisees and a responsibility for efficient implementation will focus our efforts during this new stage. At the same time we are renewing and strengthening our corporate culture, involving greater openness and transparency, attracting the best professional talent as well as performance incentives based on return on investment. An entire team of professionals focused solely and exclusively on meeting the needs of our customers.

Similarly, the refinancing plan approved with the financial institutions at the end of this year includes the obligation to initiate a capital increase with pre-emptive subscription rights for shareholders during the first quarter of 2019, which will enable the Group to increase its equity by a minimum amount of Euros 600 million before this financing expires.

I haven't forgotten our suppliers or franchisees either. Thank-you for the work you do every day and your trust. Your excellent work and professionalism help us stand closer to our clients and, in short, to be even better at what we do. Thanks also to our shareholders, investors, customers, transport operators and all of the DIA Group's stakeholders for continuing to trust in us, even through the most difficult times.

I am convinced that we will build a solid foundation upon which we can once again meet our objectives. I know that all DIA Group professionals are committed to seeing the company back where it deserves to be.



Borja de la Cierva Álvarez de Sotomayor

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