



Press Release

23rd May 2017

**DINO POLSKA S.A. IN THE 1ST QUARTER OF 2017:
29% INCREASE IN REVENUE, 12.6% INCREASE IN LFL SALES,
GROWING LAND BANK FOR FURTHER EXPANSION**

Dino Polska S.A., one of the fastest-growing supermarket chains in Poland, achieved an increase in sales revenue and profit in the 1st quarter of 2017.

In 1Q 2017 the Dino Group generated consolidated sales revenue of PLN 910.3 million, as compared to PLN 707.4 million in 1Q 2016, an increase of nearly 29% year-on-year. The dynamic growth in revenue was the result of expansion of the chain with new locations and an increase in like-for-like sales at existing stores of 12.6%, as compared to an 8.4% increase in 1Q 2016.

EBITDA (after an adjustment of nearly PLN 3 million for the one-off costs of the public offering) grew by 29%, to PLN 68.5 million, from PLN 53.1 million a year earlier. In January–March 2017 the Group earned a net profit of PLN 30.4 million, as compared to PLN 23.4 million in 1Q 2016, an increase of 30% year-on-year.

At the end of March 2017 the Dino chain included 639 stores. The Group had also secured 389 locations for new stores, i.e. 25% more than at the end of 1Q 2016. In 1Q 2017 11 new Dino stores were opened. The improved atmospheric conditions in the first few weeks of the 2nd quarter enabled construction work to resume, contributing to an increase in openings of new stores in subsequent quarters of 2017.

Dino Polska S.A. conducted its initial public offering of shares at the turn of the 1st and 2nd quarters of this year. The listing on the main market of the Warsaw Stock Exchange occurred on 19 April 2017 and the public offering was valued at about PLN 1.65 billion.

DINO GROUP RESULTS IN 1ST QUARTER OF 2017:

PLN million	1Q 2017	1Q 2016	Change
Sales revenue	910.3	707.4	+28.7%
LFL sales	12.6%	8.4%	+4.2 pp
EBITDA	68.5	53.1	+29.0%
EBITDA margin	7.50%	7.52%	-0.02 pp
Net profit	30.4	23.4	+30.2%

1Q 2017 was another period with an increasing scale of operations by the Dino Group. The nearly 29% rate of revenue growth (by PLN 203 million in value) year-on-year resulted from expansion of



the Dino chain to include new supermarkets (the chain grew by 117 locations in 2016) and growth in sales at existing locations (like for like, LFL) by 12.6% y/y.

The Group achieved an operating margin in 1Q 2017 similar to that a year earlier, at 7.5%. In line with its strategy, the Group is continuing its rapid expansion of the Dino supermarket chain, seeking out new locations for its own stores and opening new supermarkets. At the end of the 1st quarter the Group had secured 389 sites (including plots already purchased and under preliminary purchase agreements). The Group plans to have more than 1,200 stores opened by the end of 2020.

The retail grocery market

In the 1st quarter of 2017, the retail grocery market in Poland displayed a continuation of the positive trends visible in 2016, such as the encouraging macroeconomic situation, low unemployment, growing wages (including an increase in the gross minimum monthly wage to PLN 2,000 from January 2017) and the government's Family 500+ benefit program. The good market situation and growing disposable income encourage consumer spending in Poland.

According to a Roland Berger study (from November 2016), overall sales on the market for retail food items in Poland are expected to grow at an average of 3.7% per year through 2020.

Szymon Piduch, CEO of Dino Polska. S.A., commented: *"We are pleased with the results achieved in the 1st quarter. We generated an increase in revenue of nearly 29% and significantly increased our land bank for future expansion of the chain. Along with significant growth in sales, we recorded high margins, similar to those from last year. The nearly 30% rate of sales growth resulted from the expansion of the chain to new locations as well as growth in LFL sales at existing stores of 12.6% in the 1st quarter. We are also encouraged by the good consumer mood, influenced by such factors as the good macroeconomic situation and Poles' growing income."*

Szymon Piduch added: *"The turn of the 1st and 2nd quarters of this year was also an important period for us because of the Company's public offering, which met with huge interest among both domestic and foreign institutional investors and retail investors in Poland. The confidence in us displayed by investors further motivates us to maintain Dino's dynamic rate of growth."*

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More about Dino Polska S.A.:

Dino is a leading player in the attractive and growing segment of proximity supermarkets in Poland. From 2010 to 2015 Dino was the fastest-growing chain of proximity supermarkets in Poland (in terms of the average annual rate of growth in the number of stores and sales revenue) and in 2015 achieved the number two position in the proximity segment in terms of sales (all data based on Roland Berger report from November 2016).

The Dino chain includes 628 stores (data as of 31 December 2016), located mainly in western Poland, with an average sales area of about 400 m². Most of Dino's stores are located in smaller towns and small and medium-sized cities, as well as on the outskirts of big cities, in locations convenient for customers.



The Group's business model combines the advantages of the proximity format, skill at quickly opening new stores, an attractive product range mainly including branded products and fresh products, and competitive prices.

The Dino stores offer customers a range of about 5,000 different products (stock-keeping units), mostly under well-known brands and with an emphasis on fresh products. The Group offers prices for key products competitive with the largest grocery chains in Poland. One of the most important aspects setting the Group apart from discount chains is staffed meat counters in every shop. The high-quality meats, cold cuts and processed meat products are supplied mainly by Agro-Rydzyňa, a meat plant which is part of the Dino Group.

The logistics network of the Dino Group is based on three distribution centres, in Krotoszyn, Jastrowie and Piotrków Trybunalski. Its geographical range enables fresh products to be delivered to all stores in the Dino chain 7 days a week.

The Company is the owner of the great majority of the properties where Dino supermarkets are located. Combined with a well-functioning business model, this has enabled quick and flexible growth of the Dino chain in recent years, with an increase in the number of stores from 111 as of the end of 2010 to 628 as of the end of 2016.

From April 2017 the Company is listed on the WSE. Dino Group employs 10,681 people (data as of 31 March 2017).

More information: www.grupadino.pl