

The start of a new cycle

EROSKI MAKES A PRE-TAX PROFIT OF 40 MILLION EUROS

- The operating income of its distribution activity has improved by 20% and reaches 129 million Euros
- All the commitments entered into with the banking sector have been fulfilled and the total amount of repaid debt has risen to 500 million Euros
- Investments in 2016 exceeded 87 million Euros and were mainly aimed at remodelling the shops and expanding the “with you” business model
- The deactivation of tax credits, adjusted to the new tax regulations which came into force in December, has led to a negative after-tax profit of 23 million Euros
- The turnover remains stable at 6,051 million Euros, driven by the same-store sales growth of the “with you” business model, which has already reached 512 new generation stores

Elorrio, 26 May 2017.- [EROSKI](#) Group closed its books on 31 January 2017, with a pre-tax profit of 40 million Euros. The operating income of its distribution activity improved by 20% and reached 129 million Euros, thus increasing its sales ratio by 0.41 points up to 2.44%, as a result of the progress of the “with you” business model and the improved efficiency of its supply chain, with an increase in productivity of 7%, i.e. 21 million Euros. The turnover remains stable at 6,051 million Euros.

In 2016, EROSKI fulfilled all the commitments entered into with financial institutions and the repaid debt amounted to 221 million Euros. The total amount of debt repaid reaches 500 million Euros, including those carried out by investee companies and those of the first quarter of this year.

The EBITDA generated amounted to 244 million Euros, 4 million more than in the previous year, which shows the sound business activity of the EROSKI Group. The deactivation of tax credits, adjusted to the new tax regulations which came into force in December, led to a negative after-tax profit of 23 million Euros, which has improved by 63% compared to the previous year.

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The consolidation of EROSKI Club as a saving and brand loyalty platform for Member Customers has raised the total saving transferred by EROSKI to consumers to 260 million Euros, through increasingly personalized offers and deals.

The investments made in 2016 exceeded 87 million Euros, and were mostly aimed at remodelling the network of supermarkets and hypermarkets, which already comprises 512 new generation stores, and expanding the “with you” business model, a highly competitive model which is noted for a more personalized service, greater specialization in fresh products and the sale of locally produced food, which provides an increasingly differentiated commercial offer due to its contribution to healthier eating and more sustainable consumption.

Lines extracted from the CONSOLIDATED INCOME STATEMENT EROSKI GROUP In million Euros		
	31/01/2017	ev
NET SALES (WITHOUT VAT)	5,280.4	+ 0.02%
OPERATING PROFIT *	128.6	+ 20%
PRE-TAX PROFIT	39.9	+ 97%
AFTER-TAX PROFIT	-22.8	+ 63%

* Before Goodwill and Non Current Assets Impairment and profit from the sale of fixed assets.

Moreover, the parent company EROSKI S. Coop. made a profit of 1.5 million Euros, which also means a turnaround when compared to previous years.

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