

TO THE NATIONAL SECURITIES MARKET COMMISSION

Pursuant to article 227 of the consolidated text of the Securities Market Act and development regulation, Distribuidora Internacional de Alimentación, S.A. (“**DIA**” or the “**Company**”) hereby informs about and discloses the following:

RELEVANT INFORMATION

As disclosed to the market by means of communications dated 25 June and 18 July 2019 (registration numbers 279560 y 280284), in the amended and restated agreement regarding DIA’s syndicated bank debt (the “**Syndicated Facilities**”), the Company agreed to implement a “hive down” transaction (the “**Transaction**”), as requested by the syndicated lenders.

In compliance with the provisions of the Syndicated Facilities agreement, the Extraordinary General Shareholders’ Meeting of the Company held on 30 August 2019 approved the Transaction, authorizing the Board of Directors to carry out whatever actions were necessary or advisable for its implementation.

On the date hereof, the Board of Directors of DIA has resolved to start the implementation of the Transaction with effects as from 1 January 2020, which will imply initiating a complex sequential process of several transactions and legal steps during the first months of 2020 for the transfer of the Company’s main business units to certain subsidiaries which, at the end of the process, and in compliance with the requirements from the syndicated lenders in the Syndicated Facilities agreement, will be directly and indirectly owned by several intermediate Luxembourg companies, which, in turn, will be directly and/or indirectly wholly owned by DIA, as the case may be.

The transfer of the three main business units of the Company will include, subject to certain exceptions agreed with the syndicated lenders, all of DIA’s assets, liabilities, shareholdings, contracts and employees comprising the retail and wholesale business, the foreign business and the central services.

Additionally, as part of the business units transferred in the Transaction, a part of the debt under the Syndicated Facilities will be transferred to certain indirectly wholly-owned Spanish subsidiaries of DIA, which, in turn, will be directly and indirectly wholly-owned by intermediate Luxembourg companies, also at the request of the syndicated lenders.

Finally, in compliance with the Syndicated Facilities agreement, the shares, bank accounts and receivables of the directly and indirectly wholly-owned subsidiaries of DIA involved in the Transaction will be pledged.

Madrid, 26 December 2019.

Distribuidora Internacional de Alimentación, S.A.

Mr. Enrique Weickert
CFO