



Distribuidora Internacional de Alimentación, S.A. (“**DIA**” or the “**Company**”), in accordance with Article 17 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, and Article 226 of the Restated Text of the Securities Market Act, announces the following

INSIDE INFORMATION

1. The Board of Directors, in its meeting held today, has conducted a preliminary review, with the assistance of its advisors, of the announcement of the voluntary tender offer (the “**Tender Offer**”) over 100% of the shares of DIA released yesterday by L1R Invest1 Holdings S.à r.l. (the “**Bidder**”) (inside information notice with registry number 274,460).

The Board of Directors believes that the announcement of the Tender Offer underscores the attractiveness of the Company’s business. In addition, the Board of Directors acknowledges the alignment between the Bidder’s six-pillars transformation plan for the Company and DIA’s strategic plan, which reflects the joint effort of the Group’s management and the Board over 2018. Having said that, the Board will provide its views on the Tender Offer (including, among others, over the proposed consideration and conditions) once the Tender Offer is approved and the prospectus is released to the market, as required by the Spanish takeover regulations.

In the current circumstances DIA needs to restore in a timely manner its net equity position, and the EUR 500 million share capital increase of the Company proposed by the Bidder following the Tender Offer, as currently structured, does not provide certainty on its actual implementation or timing, nor does it take into account the obligations of the Company vis-à-vis its lenders and its short term debt maturities. Moreover, the Bidder acknowledges that such share capital increase is subject to reaching an agreement with the lenders of the Company satisfactory to the Bidder, which creates further uncertainty. The Board is willing to explore with the Bidder the feasibility to adapt the terms of the Tender Offer to address these concerns.

2. Following the announcement made on 31 December 2018 (inside information notice with registry number 273,463), DIA informs the market that its syndicated facility lenders have today notified the Company, subject to certain conditions including the completion of a share capital increase in the form of a right issue and for an amount of EUR 600 million (the “**Right Issue**”), of their indicative support for an extension of the final maturity date in relation to the existing syndicated facilities which will remain post Rights Issue in the amount of EUR 765 million until March 2023 (subject to earlier prepayment of up to EUR 100 million with the proceeds of the divestment of non-core assets Clarel and Max Descuento). Such support from the syndicated facility lenders is based on a Heads of Terms which, subject to finalization and satisfaction of conditions (including the completion of the Rights Issue), would put the Company on a sound financial footing to pursue its strategic plan.



On this basis, DIA, as agreed with its lenders on 31 December 2018, has continued to promote the Right Issue, which, as currently structured, would address in a timely fashion the net equity concerns and the long-term capital structure of the Company.

Madrid, 6 February 2019

DISTRIBUIDORA INTERNACIONAL DE ALIMENTACIÓN, S.A.

Mr. Miguel Ángel Iglesias Peinado
Director and Vice-Secretary to the Board of Directors