Distribuidora Internacional de Alimentación, S.A. ("**DIA**" or the "**Company**"), in accordance with article 227 of the consolidated text of the Securities Markets Law hereby announces the following

RELEVANT INFORMATION

Further to the information disclosed to the market on 1 March (Registry Number 275638), the Company discloses the attached presentation concerning the proposal for a share capital increase submitted by the shareholder L1R Invest1 Holdings S.à r.l.. as a supplement to the General Shareholders Meeting.

In Madrid, 3 March 2019.

DISTRIBUIDORA INTERNACIONAL DE ALIMENTACIÓN, S.A.

Mr. Miguel Ángel Iglesias Peinado

Vice-Secretary of the Board of Directors

Review of LetterOne's recapitalisation plan

March 2019

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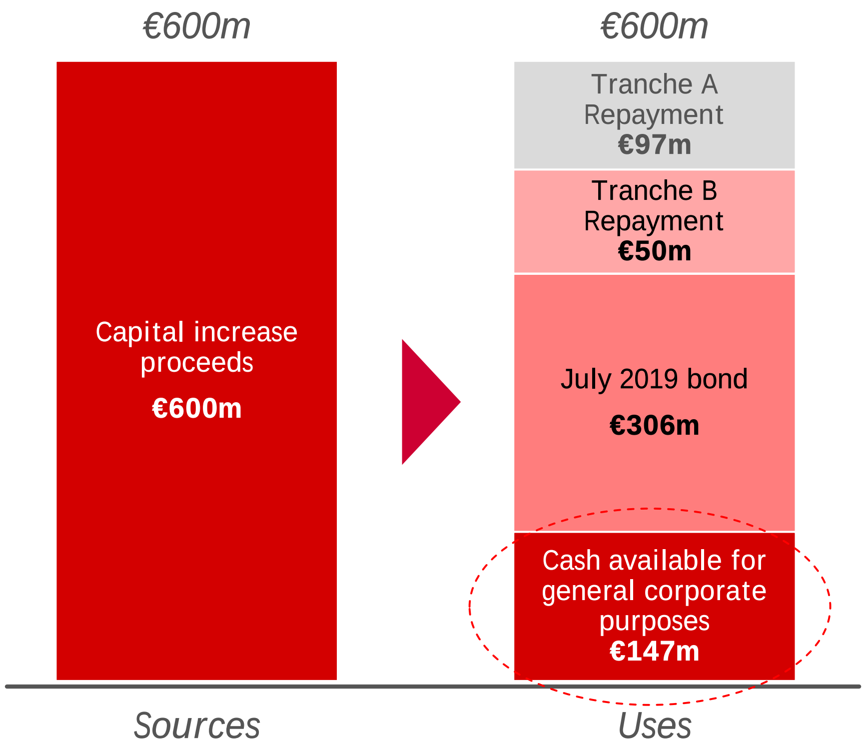
Overview of alternatives

	Company Proposal	L1 Proposal
Description	• €600m Rights Issue to be coupled with a refinancing agreement with main lenders which implies the extension of facilities maturing in May 2019 until 2023 • Morgan Stanley stand-by underwriting commitment • Transaction settlement expected around mid April 2019	• Voluntary Tender Offer at a price per share of €0.67(4.8x Adj. EBITDA 18) conditional on: (i) Approval by anti-trust authorities, (ii) Acceptance by at least 35.49%of rest of shareholders and (iii) No new equity issuances before the VTO • €500m capital increase at a price of no less than 0.1€/share and conditional on: (i) Successful VTO and Board control by L1 and (ii) Satisfactory agreement between the Company and DIA's lending banks on a sustainable capital structure subject to L1's terms and conditions
Solution to Negative Equity	✓	✗
Support from Banks	✓	✗
Certainty of 2019 bonds timely refinancing	✓	✗
Lack of Conditionality	✓	✗
Transformational Plan	✓	✓
Minority shareholder participation in future value creation	✓	✗
Floor Value for Shareholders	✗	**0.67 €/share**

The L1 proposal in current form does not meet critical Company needs. The Company may be forced to file for dissolution / insolvency if these issues are not addressed

Overview of alternatives – illustrative comparison of Sources & Uses[1]

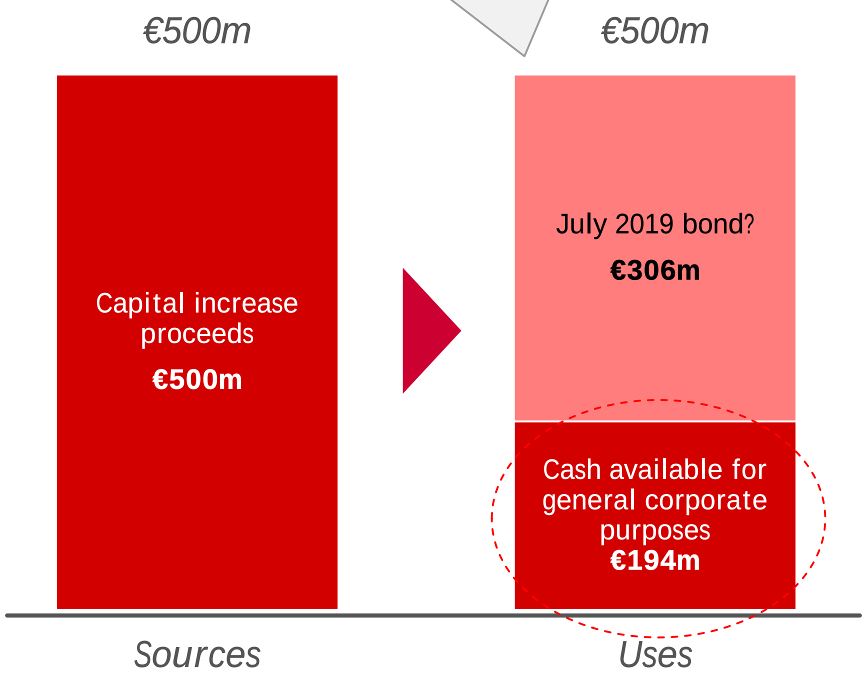
Company's proposal



PF net debt 2018[2]
€852m / 2.2x EBITDA

L1's proposal

L1 has not disclosed how they plan to address the maturity of the July 2019 bond



PF net debt 2018[2]
€952m / 2.5x EBITDA

- While the €600 m rights issue has lending banks' support, the €500m capital increase is conditional on reaching a satisfactory agreement with the Company's lending banks
- As of today, no agreement has been announced between the banks and L1
- Therefore, L1's proposal neither ensures a long-term capital structure of the Company nor the liquidity needs in the short term

Notes:
(1) Illustrative allocation of funds raised for comparison purposes (2) Assumes €1,452m reported net debt as of Dec-18 and adjusted 2018 EBITDA of €385m including Clarel

Key considerations on L1's proposal

1 L1's recapitalization plan is <u>conditional</u> on achieving <u>control</u> of DIA <u>prior</u> to any capital injection (tender or default proposal):

- If shareholders do not approve the Company's plan and L1 does not achieve control of DIA, there may not be a viable alternative for DIA other than a comprehensive debt restructuring, insolvency or dissolution
- L1's turnaround plan requires the tendering by existing shareholders other than L1 in the VTO of shares representing more than 50% of the shares not held already by L1 at 0.67 €/share thereby limiting existing shareholders' ability to participate in the turnaround

2 L1's plan fails to address the following <u>significant issues</u>:

- DIA's negative equity in time to avoid forcing the Board of Directors to request the dissolution of the Company as prescribed by the Companies Act
- May 31st 2019 maturities and event of defaults, due to lack of unconditional capital increase, under bank debt in absence of a deal with lending banks
- July maturity of the 2019 bond to the extent the VTO is not successfully completed before then because of length of VTO review process, delays in anti-trust authorities approval or competing offers
- Alternative solution to capital structure issues in the event the VTO is not successful

3 The Company's proposal results in a comprehensive solution to all immediate issues faced by the Company:

- Solution for the current negative equity through capital increase
- Amend and extend of all existing bank debt ahead of the maturity in May 31st
- Secures funds to repay €306m bond maturity in July 2019
- Ensures incremental liquidity as banks give DIA access to undrawn facilities

Illustrative / theoretical return alternatives for minority shareholders under each alternative

		Company's plan (€600m capital increase)			L1's plan (VTO at €0.67 per share)	
		Take up rights in full	**Partial take up ("Tail Swallow")**	**Sell rights in full**	**Accept the offer**	**Reject offer**
Description		• Shareholder pays cash to subscribe for maximum entitlement under terms of rights issue	• A non-cash transaction • Shareholder sells for cash sufficient number of rights to subscribe for new shares	• No subscription of rights entitlement • Shareholder sells for cash all rights and keeps current shares	• Disposal of shares at the VTO at €0.67 per share • L1's VTO values DIA at 4.8x 18 Adj. EBITDA	• If VTO is unsuccessful or it is successful but negative equity and bank refinancing issues are not addressed
Illustrative value creation analysis	*Current value for shareholders*[1]	*€0.67*	*€0.67*	*€0.67*	*€0.67*	*€0.67*
	Additional investment / cash-in from sale of rights	• Additional investment to subscribe the €600m capital increase • No cash-in from sale of rights	• Cash neutral: proceeds from disposal of rights re-invested to subscribe new shares	• No additional investment to subscribe the €600m capital increase • Cash-in from sale of rights	*None*	*None*
	Potential value in the mid to long term	• Assuming shareholders stay, post-planned capital increase and successful execution of the new Strategic Plan, the trading multiples at which they could crystallize their investment are expected to be closer to the average of those in the food retail sector			*None*	*None*
	Upside over floor at €0.67	✓✓✓	✓✓	✓ *(broadly in line)*	***None***	✗ ***Zero recovery***

Note
(1) Share price assumed at €0.67 per share

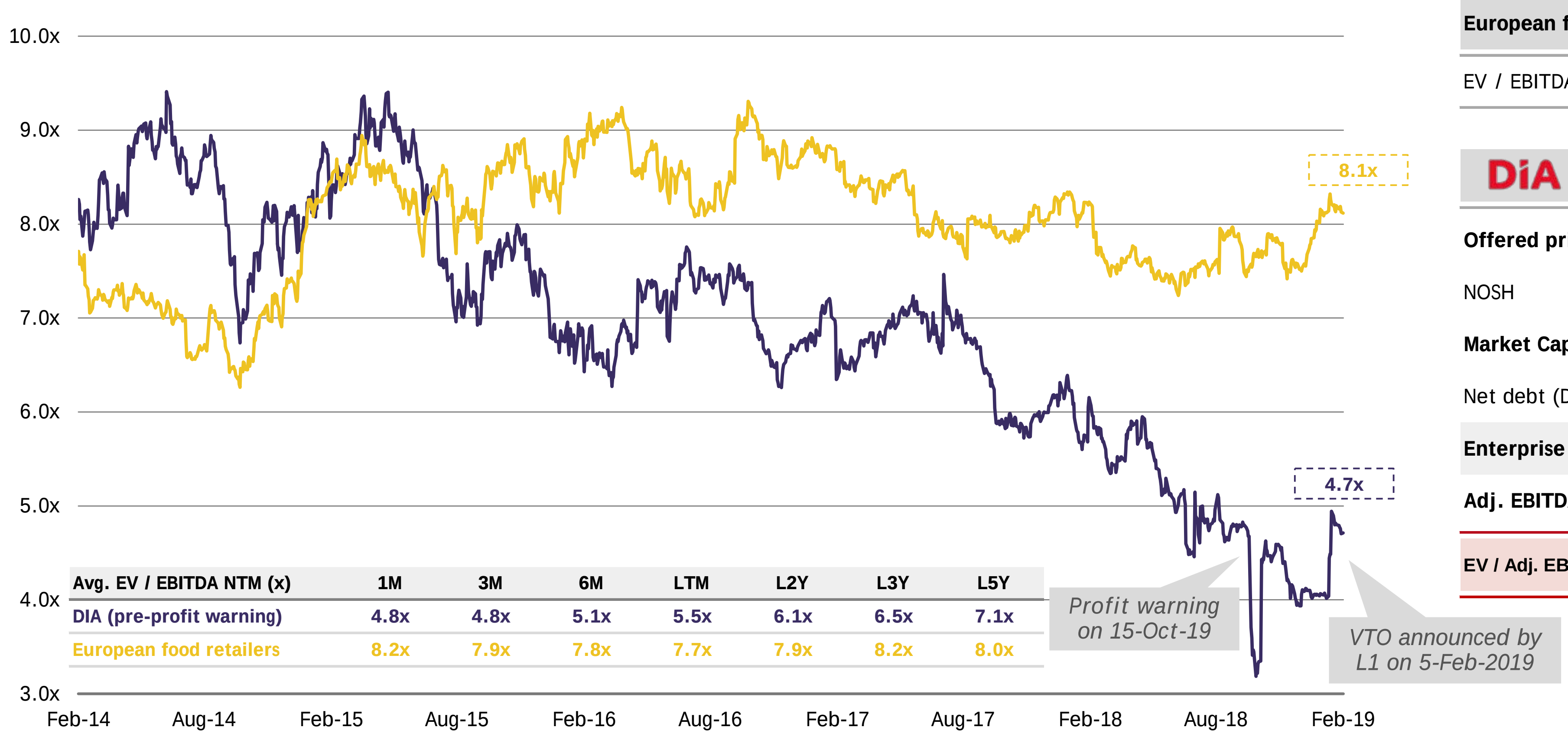
✓ *Represent the potential value upside that the shareholder could achieve under each alternative versus the floor value of €0.67*

Through-the-cycle multiples

Through-the-cycle multiples suggest an average EV/LTM EBITDA of c.8.0x for the food retail sector

Historically, and prior to the profit warning, DIA has traded at an average of c.7x EV/LTM EBITDA compared to 4.8x in L1's offer

Last 5 years EV/EBITDA LTM trading multiples



Avg. EV / EBITDA NTM (x)	1M	3M	6M	LTM	L2Y	L3Y	L5Y
DIA (pre-profit warning)	4.8x	4.8x	5.1x	5.5x	6.1x	6.5x	7.1x
European food retailers	8.2x	7.9x	7.8x	7.7x	7.9x	8.2x	8.0x

Trading multiples

European food retailers	
EV / EBITDA '18 (L5Y avg)	8.0x

DiA	
Offered price	**0.67**
NOSH	622.5
Market Capitalisation	**417**
Net debt (Dec-18)	1,452
Enterprise Value	**1,869**
Adj. EBITDA '18 (inc. Clarel)	**385**
EV / Adj. EBITDA '18	**4.8x**

Source Factset as of 25-Feb-19

Notes:

(1) Based on 2018 Adj. EBITDA of €385.4m (incl. Clarel); (2) European food retailers: Ahold Delhaize, Tesco, Carrefour, Jeronimo Martins, Colruyt and Groupe Casino

The Company's and L1's operating plan for the Company are similar (1/2)

1	• In February 2018 DIA decided to set up a Strategy Committee reporting directly to the Board of Directors
2	• Since April 2018, L1 had formal representation in the Strategic Committee through Karl-Heinz Holland (L1 Board Member) and other L1 Board Members also attended the meetings on a regular basis
3	• The conclusions obtained from the intense work of the Strategy Committee set the basis for the Company's business plan as presented to the market as well as the L1 proposed six-pillar plan
4	• During the last weeks of October, the plan was adapted to incorporate the revised guidance communicated to the market on Oct 15th, 2018 • This adapted plan was presented to the Board and was unanimously supported by all directors, including L1 representatives, assuming the need for an equity raise
5	• The Strategic Plan was again assessed and confirmed during January 2019

The Company's and L1's operating plan for the Company are similar (2/2)

Company's Strategic Plan	L1's Six Pillar Plan
• New CEO in place since 28-Dec-18 • Recently hired new CFO, Supply Chain Director, Head of Human Resources, Head of Spain and Head of Brazil (all of them with L1's support) • Additionally hired: CTO, CIO, Reporting and Control director and new Head of Argentina	**Recruit new leadership and develop existing talent** • New leadership team to steer DIA to the next level • Attract and develop talent with modern retail expertise
• Plan to improve sales density • Optimisation of locations (+300 stores already in the market) • New format seeds: DIA&Go and La Plaza with impressive performance (>27% avg. sales growth[1]) • In-store investments to refurbish the majority of the existing store network	**Real Estate strategy** • Improve sales density and traffic • Active management of store locations and formats • Maximise EBITDA profitability
• Step-up Fresh offering with higher share and frequency • Higher quality private label with continued innovation (c.320 new SKUs launched per year in the last two years) • Rationalise assortment and space via SKUs reduction aligning with customer needs	**New commercial value proposition** • Key: freshness, quality and value for money • Develop best-in-class private label offering • Become market leader in fresh food • Optimise store formats
• Invest in on-shelf prices while reducing promotions • Personalised promotions driven by customer insights	**Reset pricing and promotions** • Value for money pricing strategy and promotions to drive traffic
• Plan to re-focus on effective execution: Re-engineer store operating model, transform each link of the supply chain and modernisation of DIA's backbone • Group-wide change driven by the Transformation Management Office and organisation alignment	**Retail operations execution** • Develop DIA's talent • Efficient organisation and management
• New Marketing plan with targeted investments in the brand to improve price image and maintain top brand awareness	**Investment in brand and marketing** • Revamp DIA brand

Note:
(1) Data for Dia&Go; average sales growth in 2018 with consistent monthly performance (84 comparable stores in 2018)

The Company has been proactively addressing its challenges

1	Challenging market conditions have deepened the Company's drive towards winning models and concepts
2	The Company reacted by setting up a strategy committee, that led the ambitious project that resulted in the new Strategic Plan
3	Fundamental management changes have been introduced, with world-class talent being attracted to this transformational journey to a new DIA
4	Retained external support to negotiate and implement a comprehensive and sustainable refinancing and recapitalization plan which, subject to achieving sufficient shareholders support, is deliverable
5	Reached a timely agreement with the lending banks securing working capital financing to support the operations

Final remarks

1. L1's proposal, as currently constructed, does not provide effective and readily available solutions to the short-term challenges the Company is facing. In the absence of any such solution, the Company might be forced to file for dissolution / insolvency

2. The BoD has been and continues to be willing to engage with L1 and its advisors in order to reach to a viable long term solution for the Company

3. The Company is very appreciative of L1 contributions and sector expertise, which complement current BoD retail skills, as well as its commitment to invest additional capital through its VTO

4. The Company and its BoD are open to continue to work with L1 in order to make its plan work at the satisfaction of all key stakeholders, namely shareholders, creditors, employees and suppliers, while ensuring delivery against all operating, regulatory and financial commitments

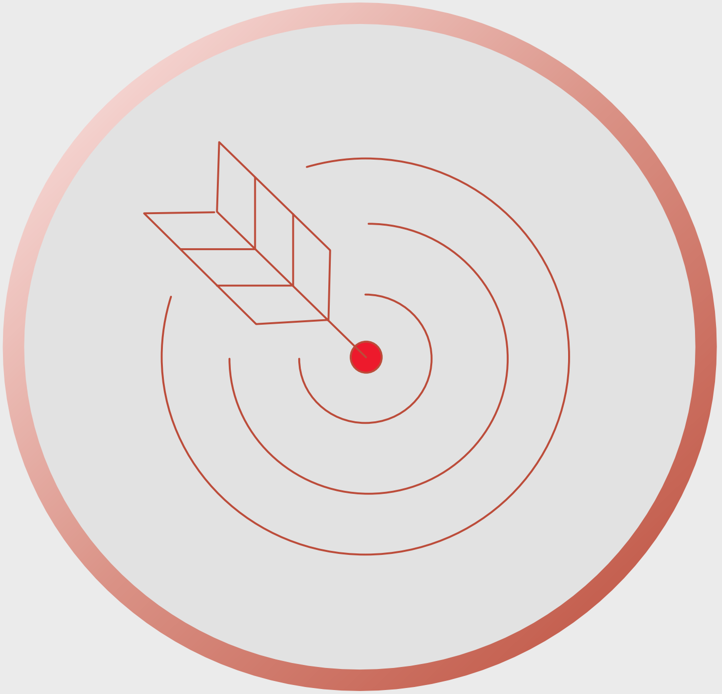
Appendix

Strategic update

Grocery retail is changing rapidly

CONSUMER SEEK	ENVIRONMENT EVOLVES	COMPETITION ADAPTS

Our mission



"Our ambition is to be the day-to-day grocery retailer closest to our customers; providing them with the best value convenience through our extensive omnichannel store network"

Our structural advantages

We are close to our customers

1. Our **convenience** focus provides exposure to favorable consumption trends

2. Our unparalleled **capillarity** in Spain gives us a unique level of access to customers

3. We benefit from a large, loyal and data-rich **customer base**

We have strong operational know-how

4. We have historically solid relationships with our **suppliers**

5. We keep a developed range of **private label** with over 2,000 SKUs in Spain

We manage capital efficiently

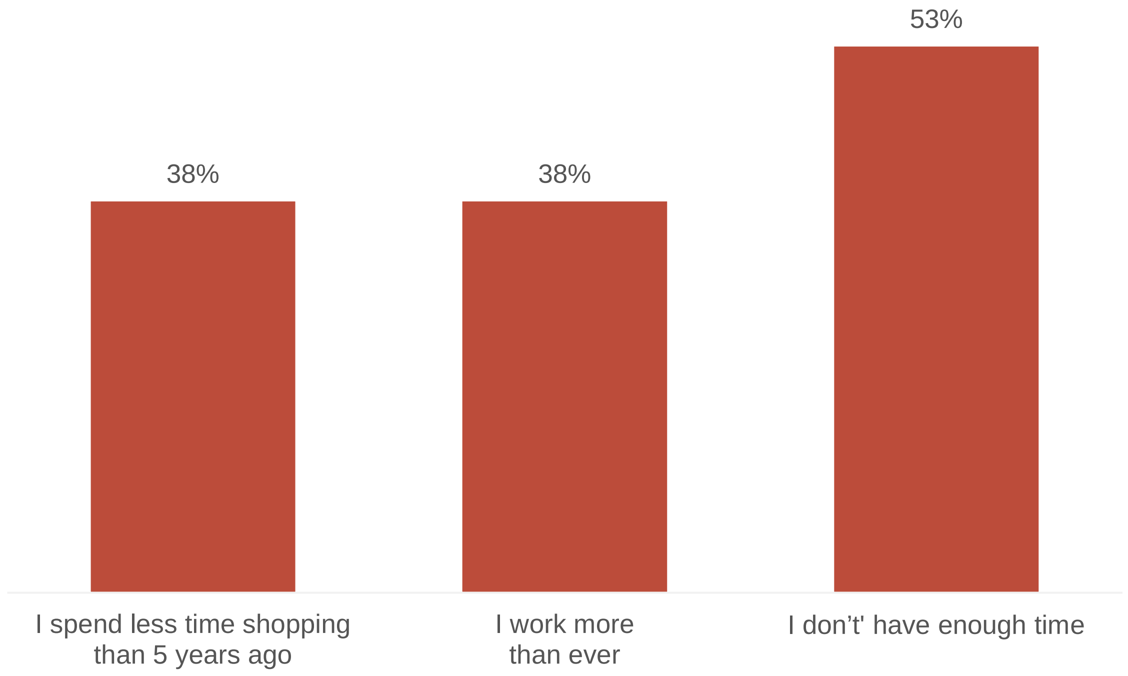
6. Our **asset light** franchise model enables us to deliver high store returns and industry-leading margins

Source: DIA

1 Our convenience focus provides exposure to favorable consumption trends

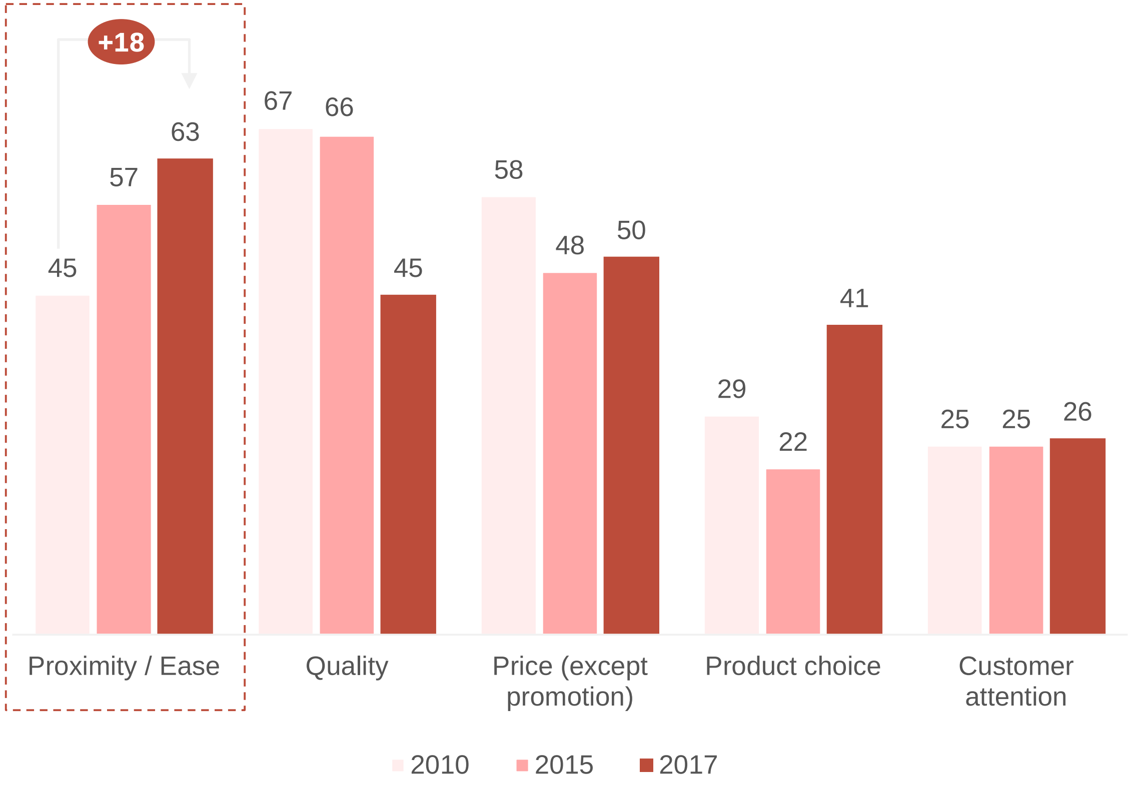
Time is an increasing constraint…

Respondents (%)



…Driving demand for convenience (ahead of all criteria)

Respondents (%)



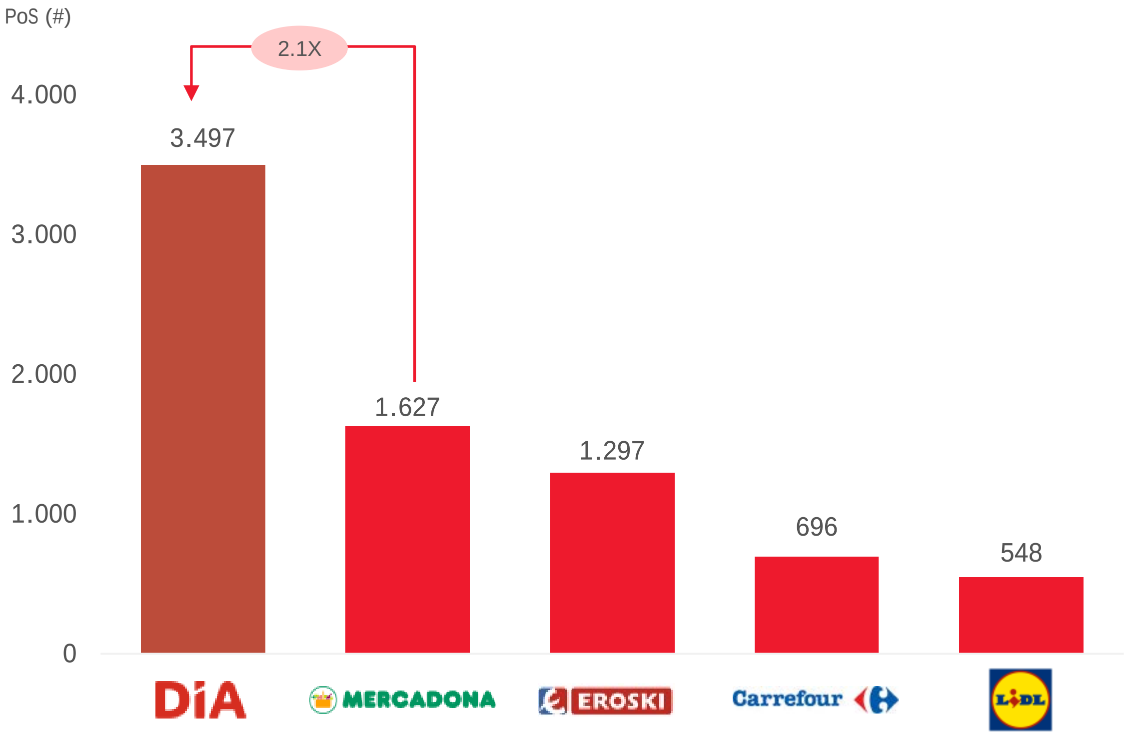
Source: Observatorio Cetelem, Consumo Europa 2016

Source: MAPAMA; Primary research performed for DIA by a leading strategy consulting company 2018

2 Our unparalleled capillarity in Spain gives us a unique level of access to customers

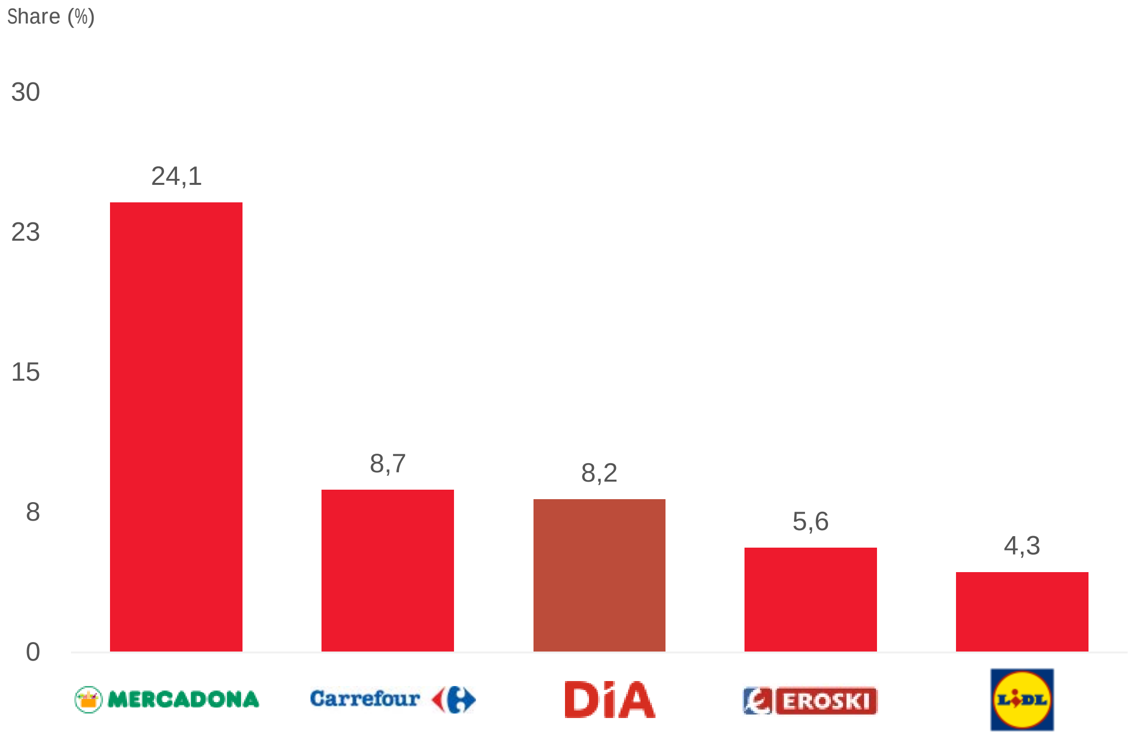
Largest convenience store network in Spain - over 2x larger than the next competitor

Number of Convenience Stores in Spain, by Competitor (2017) [1]



#3 retailer in terms of market share

Market Share of Main Grocery Retailers in Spain (2017) [2]



Source: DIA; Alimarket; primary research performed for DIA by a leading strategy consulting company 2018
Notes:
1. This includes retailers with a value market share larger than 3.5%
2. Includes fresh and packaged goods

Source: Kantar Worldpanel

3 We benefit from a large, loyal and data-rich customer base

#1 loyalty programme in food retail…

22M active customers

21 years active (since 1998)

~74% of sales with loyalty card

~50% conversion rate [1]

+140% average basket [2]

+2.5M new active cards per year in the last 3 years

BIG DATA

Integration & algorithms to personalize customer services

…Supported by a state of the art digital platform

Spain Example

1.8M downloads

+33% average ticket [3]

+30% avg. unit / customer [3]

+33% avg. expense / customer [3]

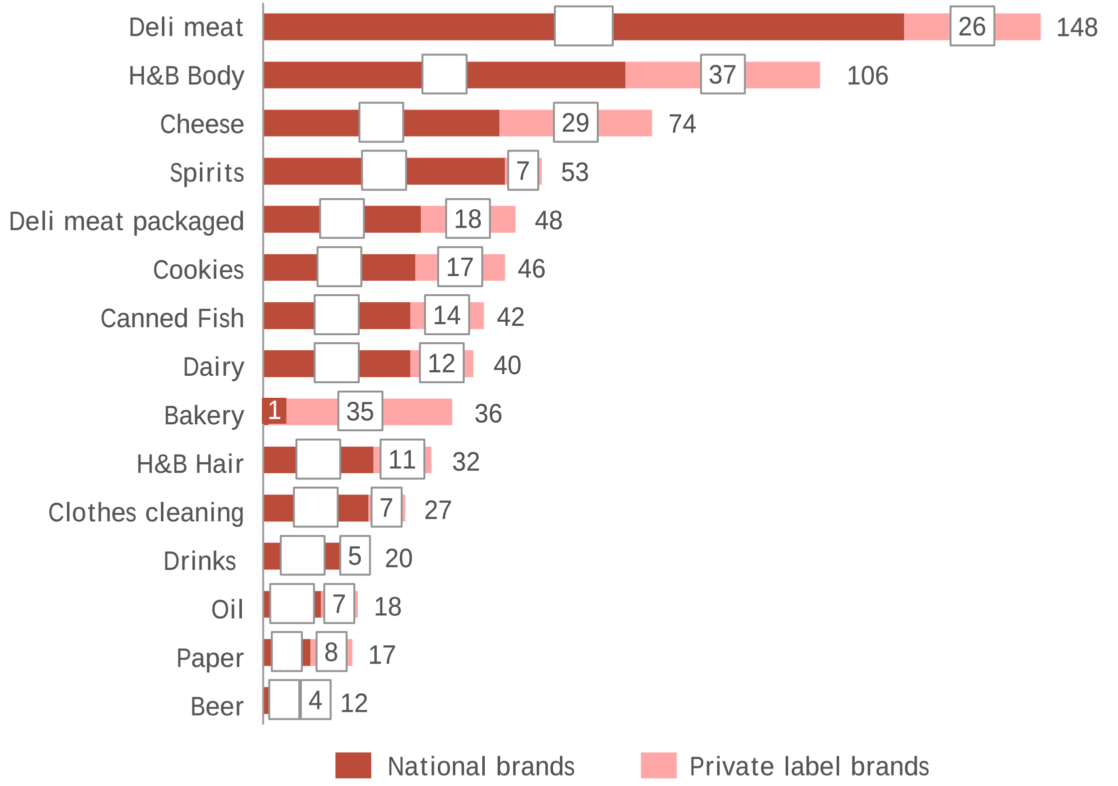
+30% frequency (shopping/ month) [3]

Source: DIA FY 2018
Notes:
1. Conversion rate defined as active cards / delivered cards
2. Incremental size of average basket for DIA Spain
3. Analysis of Traditional Gold Customer vs. App Gold Customer – data as of Q3 / 2018. Gold Customer defined as customer who has spent more than EUR180 in the last 2 months.

4 We have historically solid relationships with our suppliers

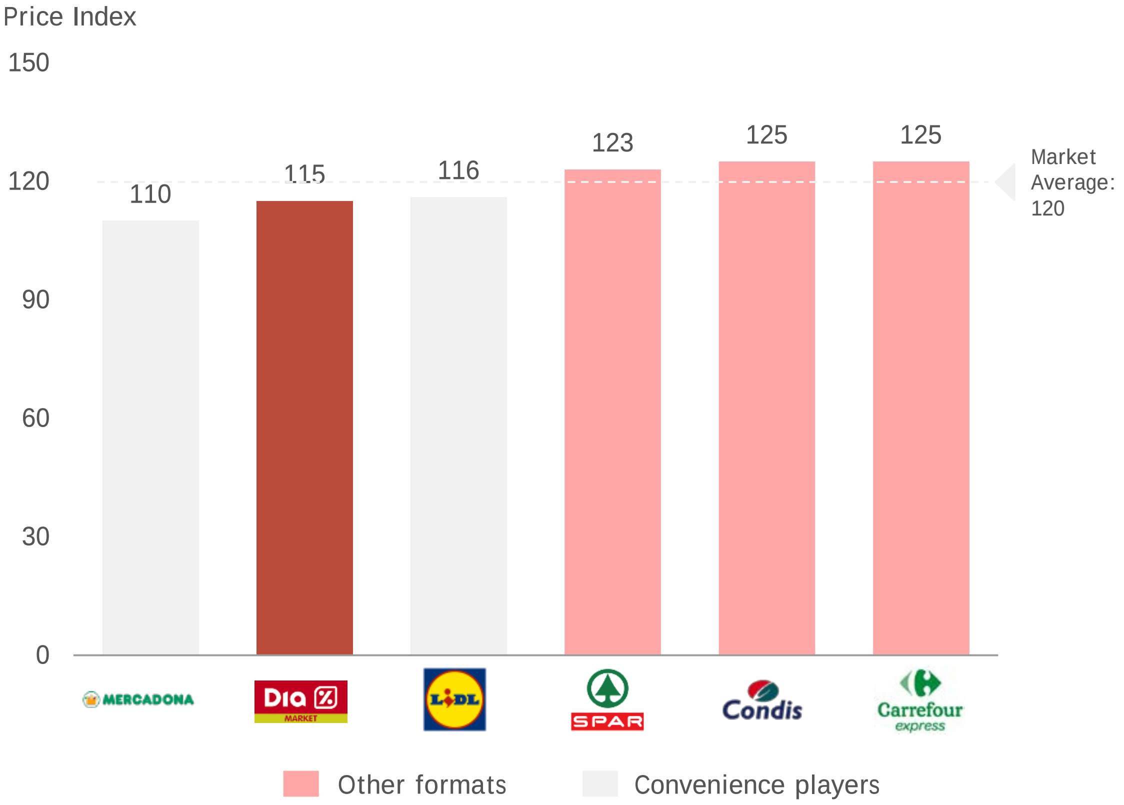
Well-diversified supplier base with longstanding relationships…

Number of Suppliers (National Brand & Private Label Brand) for Top 15 Categories (~40% Sales), (2018)



…Allowing us to win on price vs other convenience players

Price Index of Main Grocery Banners (2017) [1]



Source: Organization Consumidores y Usuarios (Sept. 2017), Primary research performed for DIA by a leading strategy consulting company 2018, DIA
Notes:
1. Price Index calculated by OCU comparing a basic product basket across all different banners, September 2017

5 We have a developed range of private label with over 2,000 SKUs in Spain

45% of private label sales over total sales for Spain [1]

~320 new SKUs launched per year in the past 2 years

>410 new private label SKUs roll out expected in 2019

15-20 years average relationship with Top 25 suppliers (~40% of sales)

Canned Tuna

25x

Rotation [2] (private vs. equivalent national brand)

Cheese Portions

3x

Rotation [2] (private vs. equivalent national brand)

Regular Beer

8x

Rotation [2] (private vs. equivalent national brand)

Source: DIA analysis FY 2018

Notes

1. Defined as gross sales of private label products divided by total gross sales in Spain excluding perishable food
2. Rotation: Number of units sold per month

6 The franchise model is a true differentiator of our business

Commitment to customer satisfaction

5-11% higher NPS for COFO/FOFO vs. COCO stores [1,2]

Unparalleled proximity to customer and depth of insight

43% of franchisees in towns with <10,000 inhabitants (vs. ~17% for COCO[2])

Large network of convenience formats easy to roll-out

€0 franchisee upfront investment for COFO[2]

High efficiency and profitability with alignment of incentives

3-5% higher profit COFO[2] franchisees (85% of all franchisees) vs. COCO[2]

Asset-light expansion route for DIA, with rapid store implantation

€0 company upfront CapEx In FOFO[2] franchisees

Flexibility on conversion to company owned format (COCO[2]) or vice versa

2.5 months Avg. time to move from COCO[2] to COFO[2] **without store closure**

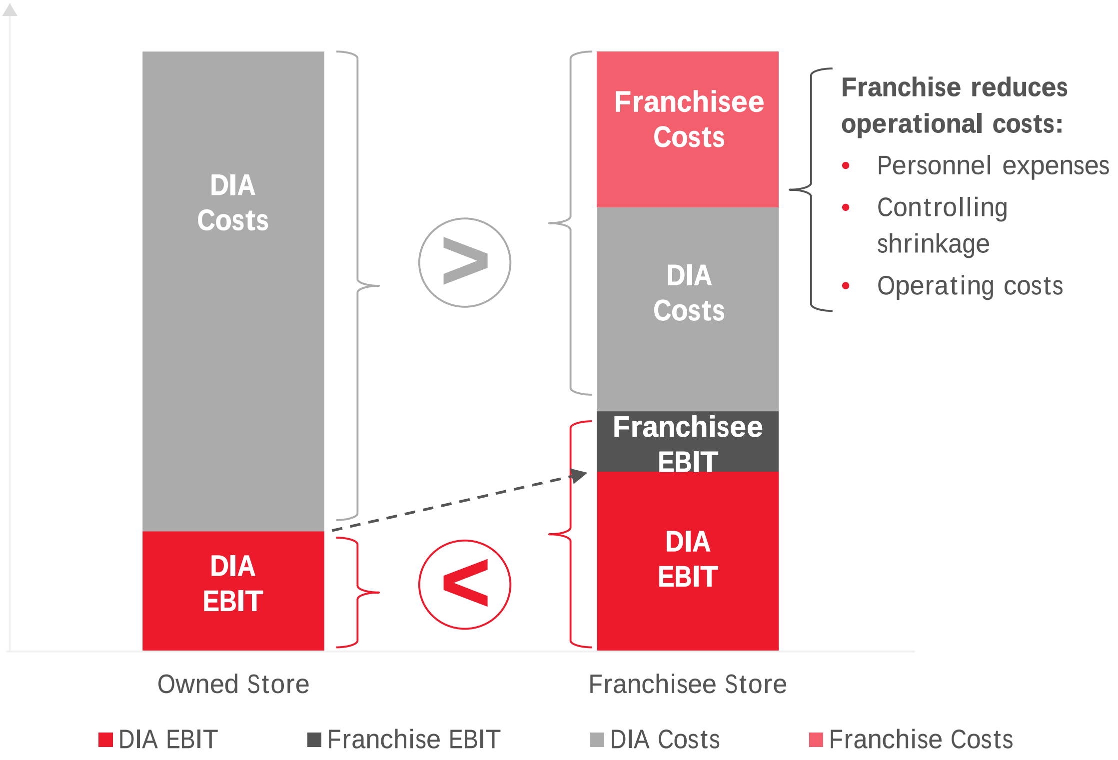
58% of network managed by franchisee partners

Source: DIA FY2 018
Notes
1. 4.8pp. higher in DIA MARKET and 10.5pp. higher in DIA MAXI
2. COCO: Company Owned, Company Operated; COFO: Company Owned, Franchisee Operated; FOFO: Franchisee Owned, Franchisee Operated

6 Our asset light franchise model enables us to deliver high store returns and industry-leading margins

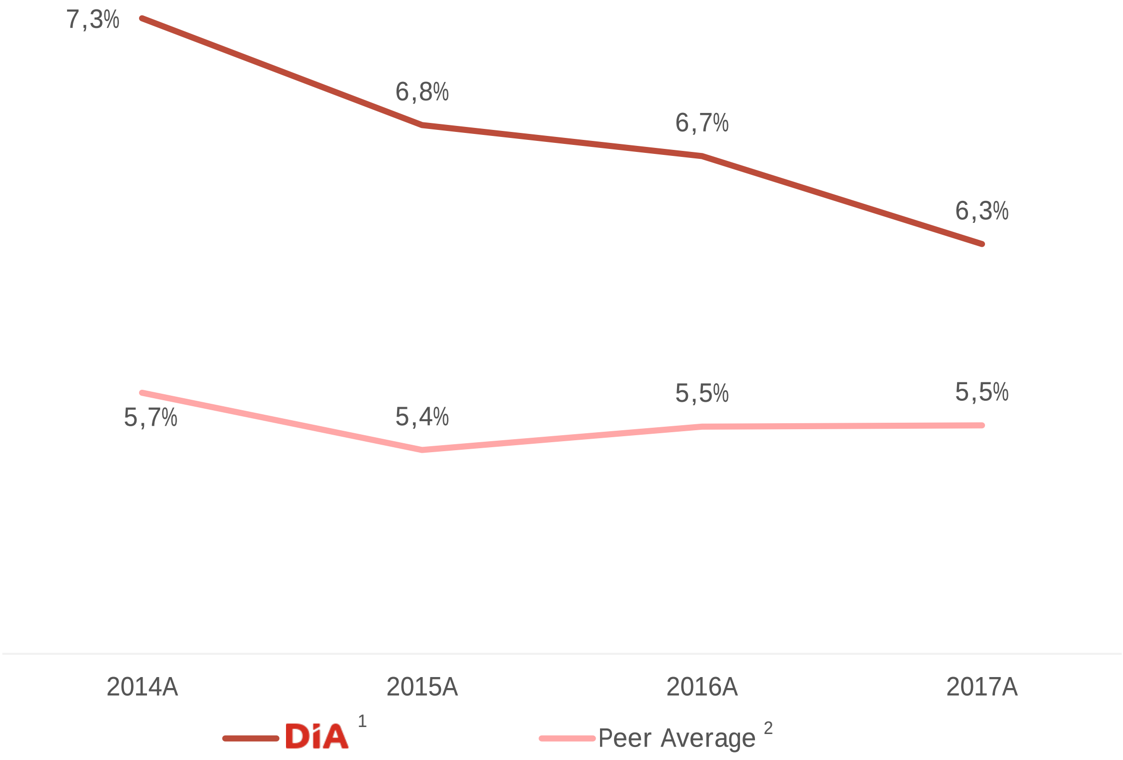
Our franchise model…

DIA's Economic Equation



…Allows us to deliver on bottom-line

Adj. EBITDA Margin (%), Calendarised to December YE



Source: DIA; public available information

Notes

1. 2014 and 2015 as reported, 2016 and 2017 restated and re-expressed figures excluding Clarel and Cash & Carry, pre-IAS29
2. Includes Tesco, Carrefour, Jeronimo Martins and Ahold Delhaize (all calendarised to December year end). Carrefour: based on Recurring Adj. EBITDA / Net Sales; Jeronimo Martins: based on Recurring EBITDA/ Net Sales; Tesco: based on Recurring Op. Profit + D&A / Net Sales and Ahold Delhaize: based on Adjusted EBITDA / Net Sales, 2014 numbers includes only Ahold premerger with Delhaize

Transformation programme focused on Spain & Portugal and supported by renewal of our culture

The new DIA

Spain & Portugal

1. Transform our commercial offer
2. Reinvigorate our estate and formats
3. Re-engage with franchisees
4. Re-focus on effective execution

Brazil & Argentina

- Focus on the core

5 Culture

- Focus on the customer
- Culture of openness and transparency
- ROI-based performance incentives
- Recruit the best talent

1 Transform our commercial offer

Offer

Step-up Fresh offering with higher share and frequency

Higher quality private label with continued innovation

Price

Invest in on-shelf prices while reducing promotions

Personalised promotions driven by customer insights

Perception

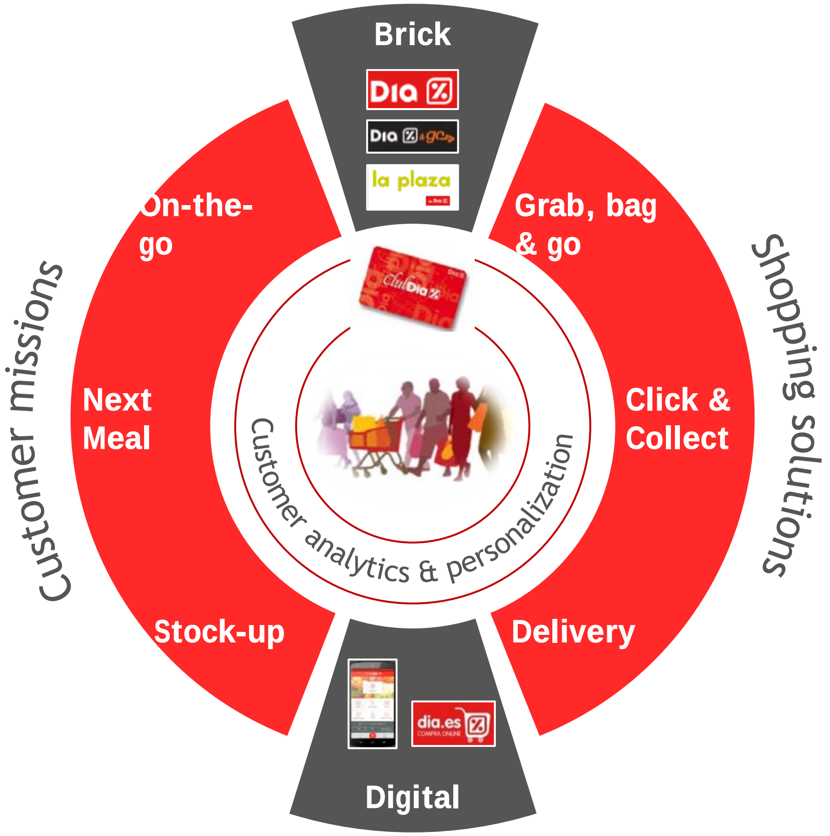
Rationalise assortment and space via SKUs reduction aligning with customer needs

Outstanding shopping experience driven by in-store services

Quality and Convenience at the Heart of Our Offer

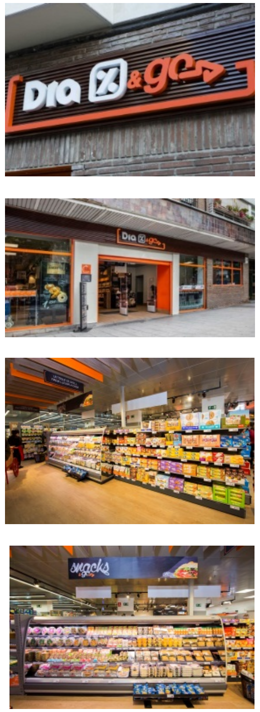
2 Reinvigorate our estate and formats

Omnichannel ecosystem built around convenience: what customers need, where they need it, when they need it



Case study: DIA&Go

- 144 stores operating in 2018
- 75% of stores showing high and in-line performance throughout the year [1]
- >27% average sales growth throughout 2018 with consistent monthly performance [1]
- Average margins >28%, with similar results delivered by both own and franchised stores [1]



Source: DIA Analysis
Notes
1. 84 comparable stores in 2018

3 Re-engage with franchisees

Review and upgrade franchisee portfolio

Review the incentive system for existing and new franchisees

Invest in franchisee training and career planning

Introduce new model of onboarding with increased standards for new franchisees

We Invest in Our Franchisees on Equal Terms to Our Own Stores

4 Re-focus on effective execution

Re-engineer store operating model	Transform each link of the supply chain	Modernise our backbone
Upgrade the store labour model	Refocus on servicing the stores	Implement ZBB [1] + ZBO [2]
Reduce operational complexity	Review cost structure	Review processes / ways of working
Optimise the store network	Re-negotiate with suppliers	Implement advanced analytics across the whole company
Launch the new store format	New warehouse and delivery model	Upgrade IT infrastructure

Group-wide change driven by the Transformation Management Office

Organisation alignment

Loss and Inventory –	Product Availability +	Time to Market –	Long-Term Driver for Effective Execution +	Control & Visibility +

Notes
1. Zero based budgeting
2. Zero based organisation

5 Renew and strengthen our company culture

Focus on the customer

Culture of openness and transparency

ROI-based performance incentives

Recruit the best talent

Reinvigorated Corporate Leadership to Build the New DIA

Borja de la Cierva
Chief Executive Officer
>30 years of experience

Previous experience
INDITEX

Enrique Weickert
Chief Financial Officer
>20 years of experience

Previous experience
OHL
Fertiberia

María Miralles
Chief Transformation Officer
16 years of experience

Previous experience
OLIVER WYMAN

A clear vision of the transformed company

DIA has historically performed but recently went through a setback

We have multiple structural advantages

Our transformation plan is focused on execution

We have a clear strategy to build the new DIA

Reconfirmation of the outlook for DIA

2018 Reset	2019 A Transition Year	2020 - 2023 Completion of Turnaround
We guided towards:	**Sharpen** our commercial model	Mid-single digit **top-line growth**
✓ **Adj. EBITDA: EUR350-400m** (before IAS29)	Refocus on **effective execution**	**EBITDA upturn** in 2020E and **healthy growth** thereafter
✓ **Capex: EUR350m**	Prudently deploy **CAPEX**	**CAPEX at 3%-4%** in 2020-2023 to roll-out our new commercial model and build the **New DIA**

Transformed model to underpin future growth