



A new era starts today, money immediately available

DIA secures €771 million and opts for an additional €100 million, obtaining long-term financial stability

- / €271m new debt financing from existing lenders and LetterOne**
- / €600m of new equity financing of which €500m underwritten by LetterOne**
- / DIA to receive immediate liquidity injection from LetterOne as part of its €500m equity commitment**
- / With long-term financial structure secured, DIA's focus is now fully on turning the business around**

Madrid, 25 June, 2019 – DIA Group (DIA) announced today that it has reached a long-term agreement with its lenders and shareholders which guarantees access to €771m, this liquidity will be deployed over the next 4 years to ensure the business is right-sized and repositioned to be competitive over the long-term.

The principal shareholder, LetterOne has provided for the business immediate access to €500m and today DIA confirms that it also has agreed with its lenders an additional €271m which will be made available as needed by the business, in addition to increasing the amount of the capital increase by €100m.

DIA hereby obtains the financial muscle and stability of a shareholder structure fully aligned to building the business over time and generating financial results through revenue growth. The Company is now on a strong footing to commence its repositioning. The management team lead by Chief Executive Officer, Karl-Heinz Holland, will work through the key elements of the business model to ensure it is competitive long-term.

"Today's announcement reflects the strength, understanding and commitment of our reference shareholder; I am grateful for the support, their belief in DIA, and in our potential to create value in the long run. We now have the ability to take on challenges and to develop a great retail brand. It is my objective to act effectively for the benefit of our customers, our employees, our franchisees and suppliers". Stated Karl-Heinz Holland, DIA Group CEO.

The financing will be provided as follows: up to €600m in equity through a capital increase of which €500m is underwritten by LetterOne (as announced); €200m debt facility to be provided by new financial lenders and backstopped by LetterOne and; €71m from the existing banks lenders.

Total Available Liquidity of up to €771m			
Capital Increase	Up to €600m		€500m underwritten by LetterOne €100m subject to minority shareholder and market appetite
Debt Facility	€200m	7% margin	3-year Term-loan backstopped by Letter One
Confirming Facility	€71m	5,5% margin	Existing banks lenders: Santander, BBVA, Barclays, Caixa Bank, Deutsche, ING, Postbank, SocGen, Mitsubishi, Bankia, BNP Paribas.

DIA will meet its financial obligations in relation to the bonds due 22 July, as agreed, and now the priority is to reestablish normalized business trading.

"The agreement with DIA's lenders concludes a series of important initiatives to safeguard the company and place it on stable footing towards long-term value creation for all stakeholders. The combination of best-in-class governance, a viable long-term capital structure agreed with the company's lenders and the formation of a world-class retail team provide DIA with a clear path to regaining its position as a leading food retail company in Spain, Brazil, Portugal and Argentina." Stephan DuCharme, DIA Group Chairman concluded.

Press contact

Lara Vadillo – Ginés Cañabate – Luis Barreda
Phone: +34 91 398 54 00 Ext. 33886 / 33342 / 33536
Mobile: +34 619.22.65.87 / 616.02.51.89 / 609.41.57.21
Email: comunicacion@diagroup.com

 @DIA_Group
 @dia_corp

Distribuidora Internacional de Alimentación, DIA, is an international food and household goods retailer operating in Spain, Portugal, Brazil and Argentina where it trades under 5 principle brands. Founded in 1979, it has some 46,500 employees and 6,000 points of sale.