

Krupa Global Investments Announces Position in Spanish Retailer DIA

Krupa Global Investments (KGI) announces position in DIA (Distribuidora Internacional de Alimentación) and it fully supports the “Make DIA Champion” initiative by L1 RETAIL, owned by Mikhail Friedman, one of the wealthiest businessman in Russia. We have confidence that L1 RETAIL ability to turn DIA around is proven by its successes in Russian X5 Retail Group and L1 RETAIL’s retail chain Holland & Barrett in the UK oriented on healthy products.

We believe that L1 RETAIL’s strategy to recruit new leadership and develop existing talent will be successful. New CEO will bring a fresh air in the company management, which is much needed in this restructuring process. In order to maximize EBITDA margin which is one of L1 RETAIL’s main goals, reassessment of real estate portfolio has to be done to maximize the store traffic.

We agree that they have to significantly increase operational execution within their stores and make changes to product portfolio. These changes will be led by former CEO of food retailer X5 Retail Group Stephan DuCharme and Karl-Heinz Holland former CEO and Chief Commercial officer of food retailer Lidl; this process will be executed due to the company’s capital increase of €500m which will enable further investments in its growth. L1 RETAIL is offering better solution for both major and minor shareholders than the proposition presented by the Board of Directors in recent months.

We believe that DIA will regain their dominant position back within retailers in Spain, Brazil and Argentina under L1 RETAIL management. KGI is ready to cooperate with L1 RETAIL for easier transition towards better future for DIA.

About Krupa Global Investments:

Krupa Global Investments is a private firm with a focus on investment opportunistic growth. It is named after its founder and chairman, Pavol Krupa. The firm takes an activist approach with the aim of remedying and eliminating management actions that have a negative impact on companies, with the aim of achieving a significant positive change in strategy, financial structure or management. The company only selects investment opportunities with the potential to appreciate in the tens of percent annually due to their quality and dynamic growth. Krupa Global Investments focuses on the investments in shares in European and American stock markets and currently has approximately €1,7 billion in assets under management.

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