

## Casino plans to raise 1.5 bln euros in bank loans

Written by Administrator

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PARIS, Oct 22 (Reuters) - French supermarket Casino PA>, which is battling investor concerns over the size of its debt, announced on Tuesday it planned to raise 1.5 billion euros through additional bank lending to strengthen its finances.

The company said it was in discussions with the banks already financing its existing debt, and said it had already received commitments from 14 French and international lenders for credit of more than 1.6 billion euros.

The banks' participation was conditional on the firm raising at least 1 billion euros by May next year, Casino said in a statement.

"This strengthening of the capital structure will allow the group to fully concentrate on reaching its operating, financial and strategic objectives as well as on executing its asset disposal plan," the statement said.

"The Group confirms its intention to reach net debt in France of less than 1.5 billion euros at end-2020 and maintain this level over time."

Casino, along with domestic peers such as Carrefour and Auchan, faces intense price competition in its home market as well as challenges from online players such as Amazon, which has made inroads in the sector.

In May, Casino Chairman and Chief Executive Jean-Charles Naouri placed Casino's parent companies, including Rallye, under protection from creditors. Talks with bankers started in September.

Naouri has been hunting for ways to ease the company's debts - and those of parent company Rallye - in part via asset sales.

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In August, Casino said it was in talks to sell its French discount store chain Leader Price to German low-cost rival Aldi and it announced in August a new 2 billion euros asset disposal program.

In September, Czech businessman Daniel Kretinsky and Slovak partner Patrik Tkac bought a 4.63% stake in Casino in a show of support for Naouri. (Reporting by Christian Lowe; editing by Dominique Vidalon)

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