MATERIAL INFORMATION

ISSUE OF €200 MILLION SECURED GUARANTEED EXCHANGEABLE BONDS DUE 2023

Pursuant to the provisions of article 17 of Regulation (EU) 596/2014 of 16 April 2014 on Market Abuse (Market Abuse Regulation) and article 228 of the consolidated text of the Securities Market Act, approved by Royal Legislative Decree 4/2015, of 23 October, Sociedad Anónima Damm ("**Damm**" or the "**Company**") hereby reports to the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) ("**CNMV**") the launch by its subsidiary Corporación Económica Delta, S.A. (the "**Issuer**") of an offering (the "**Offering**") of EUR200 million secured guaranteed exchangeable bonds due 2023 (the "**Bonds**") exchangeable for existing ordinary shares of Ebro Foods, S.A. (the "**Shares**"). The Issuer may increase the issue size up to EUR250 million by way of an increase option of up to EUR50 million.

The Bonds will be issued at par, will be in registered form with an authorised denomination of EUR100,000 and are expected to bear interest at a rate of between 0.50% and 1.00% per annum, payable semi-annually in arrear. The Bonds will be initially represented in the form of a global bond, exchangeable for individual bonds under limited circumstances.

Subject to the terms and conditions of the Bonds (the "**Conditions**"), the Bonds will be exchangeable at the option of the Bondholders for Shares held by the Issuer and listed on the Spanish Stock Exchanges. The exchange price of the Bonds will be set on pricing at a premium of between 25.0% and 30.0% above the reference share price calculated as the volume-weighted average price of the Shares on the Spanish Stock Exchanges between launch and pricing of the transaction. The exchange property underlying each Bond will be adjusted as a consequence of certain events, as provided in, and in accordance with the Conditions. Under the Conditions, the Issuer will have the right to elect to settle any exercise of exchange rights in Shares, cash or a combination of Shares and cash.

Unless previously exchanged, redeemed or purchased and cancelled, the Issuer will redeem the Bonds at par on 1 December 2023. Upon redemption at maturity or on the Bondholder Put Date (as defined below), the Issuer may elect in lieu of redeeming the Bonds in cash, that each Bond be redeemed by delivering to the Bondholders Shares or a combination of cash and Shares in such proportion as the Issuer may determine, in accordance with the Conditions.

The Issuer will have the right to redeem the outstanding Bonds in whole but not in part at their principal amount plus accrued and unpaid interest to the date fixed for redemption (i) for taxation reasons, as described in the Conditions; (ii) at any time on or after the date falling on the fifth anniversary plus 21 days of the Closing Date (as defined below), provided that the value of the *pro rata* share of the exchange property in respect of a Bond during a certain period of time described in the Conditions has exceeded 130% of the principal amount of the Bonds; (iii) following a cash offer for the Shares; or (iv) at any time, if 85% or more of the principal amount of the Bonds originally issued have been exchanged, redeemed or purchased and cancelled, all subject to the Conditions. The Bondholders will, in turn, have the right to request the early redemption of the Bonds at their principal amount on 1 December 2021 (the "**Bondholder Put Date**") and at their principal amount plus accrued and unpaid interest, in the event of a Change of Control of the Company or the Issuer, or a Free Float Event or a Delisting Event in respect of Ebro Foods, S.A., as such events are defined and further described in the Conditions.

The Issuer will grant a Spanish law first ranking pledge over the secured property, initially comprised of approximately 8.0-8.3 million Shares, representing approximately 5.2-5.4% of the issued ordinary shares of Ebro Foods, S.A.. The Company will guarantee, among other things, the payment of all the amounts payable by the Issuer in relation to the Bonds according to the Conditions.

The Bonds will be offered to qualified investors outside Spain in compliance with applicable securities laws. The Bonds will not be offered in the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the U.S. Securities Act of 1933).

The Issuer will apply the net proceeds of the Offering towards repaying the Issuer's outstanding intragroup indebtedness with the Company and lending any surplus to the Company, and the Company will in turn use the net proceeds of such debt repayment and intragroup loan for pursuing inorganic growth opportunities, paying down or refinancing outstanding liabilities and other general corporate purposes of the Company's group.

The Issuer will apply for the Bonds to be admitted to trading on the Open Market (*Freiverkehr*) segment of the Frankfurt Stock Exchange.

The final terms of the Bonds are expected to be set and announced later today through a separate regulatory announcement to the CNMV. The Offering is expected to close on 1 December 2016 (the "**Closing Date**").

The Issuer, the Company and the Company's subsidiaries will be subject to lock-up arrangements (ending 90 days after the Closing Date) with respect to the Shares and any securities convertible into, or exercisable or exchangeable for, the Shares and derivative transactions referencing the Shares, subject to certain exceptions.

The Issuer has engaged UBS Limited as Sole Global Coordinator and Bookrunner of the Offering. UBS Limited will conduct an accelerated bookbuilding process in order to procure subscribers for the Bonds. Such accelerated bookbuilding process will begin immediately after the publication of this notice.

Yours faithfully

By:

Mr. Jorge Villavecchia Barnach-Calbó
Managing Director
17 November 2016

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