



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, and following the material information notice published earlier today (filed under registry number 244843) in relation to the launch by Corporación Económica Delta, S.A. (the “**Issuer**”), a subsidiary of Sociedad Anónima Damm (“**Damm**” or the “**Company**”), of an offering (the “**Offering**”) of secured guaranteed exchangeable bonds due 2023 (the “**Bonds**”) exchangeable for existing ordinary shares of Ebro Foods, S.A. (the “**Shares**”), the Company hereby reports to the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) (“**CNMV**”) the pricing of the Offering.

The final aggregate principal amount of the Bonds is EUR 200 million. The Bonds will be issued at par, with authorised denominations of EUR100,000 and will bear interest at a rate of 1.00% per annum, payable semi-annually in arrear on 1 June and 1 December of each year, with the first interest payment date falling on 1 June 2017. 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 1 December 2021, 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 proportions as the Issuer may determine, in accordance with the terms and conditions of the Bonds (the “**Conditions**”).

Subject to 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 has been set at €23.7095, representing a premium of 25.0% above the reference share price of €18.9676, being the volume-weighted average price of the Shares on the Spanish Stock Exchanges between the opening of trading on the launch date and pricing. 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.

The Issuer will grant a Spanish law first ranking pledge over the secured property, initially comprised of 8,435,438 Shares, representing approximately 5.5% 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 were offered exclusively to qualified investors outside Spain in compliance with applicable securities laws. The Bonds were not 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 Bonds are expected to be issued and subscribed on 1 December 2016 (the “**Closing Date**”). Application will be made for the Bonds to be admitted to trading on the Open Market (*Freiverkehr*) segment of the Frankfurt Stock Exchange.

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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.

UBS Limited acted as Sole Global Coordinator and Bookrunner of the Offering.

Yours faithfully,

By:

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

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