

## IMPORTANT NOTICE

**Important:** Prospective investors must read the following before continuing. The following disclaimer applies to the confidential offer to purchase and exchange following this page (the “**Offer to Purchase and Exchange**”), and prospective investors are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the Offer to Purchase and Exchange. In accessing the Offer to Purchase and Exchange, prospective investors agree to be bound by the following terms and conditions, including any modifications to them any time prospective investors receive any information from Mastellone Hermanos S.A. (the “**Company**”) as a result of such access.

**NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE TENDER AND EXCHANGE OFFER (AS DEFINED IN THE OFFER TO PURCHASE AND EXCHANGE) WILL BE MADE AND THE NEW NOTES (AS DEFINED IN THE OFFER TO PURCHASE AND EXCHANGE) ARE BEING OFFERED AND WILL BE ISSUED, ONLY TO PERSONS THAT HAVE COMPLETED A LETTER (THE “ELIGIBILITY LETTER”) REQUESTING A CERTIFICATION THAT THEY ARE (A) “QUALIFIED INSTITUTIONAL BUYERS”, AS THAT TERM IS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR (B) NON-U.S. PERSONS LOCATED OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S. ONLY ELIGIBLE HOLDERS AND HOLDERS OF EXISTING LOAN DEBT (AS DEFINED IN THE OFFER TO PURCHASE AND EXCHANGE) ARE AUTHORIZED TO RECEIVE OR REVIEW THE OFFER TO PURCHASE AND EXCHANGE OR TO PARTICIPATE IN THE TENDER AND EXCHANGE OFFER. IF YOU ARE UNABLE TO CERTIFY THAT YOU ARE EITHER A QUALIFIED INSTITUTIONAL BUYER OR A PERSON DOMICILED OUTSIDE OF THE UNITED STATES OTHER THAN A U.S. PERSON, WE ARE NOT SOLICITING YOU TO TENDER EXISTING NOTES IN THE TENDER AND EXCHANGE OFFER AND YOU MAY NOT PARTICIPATE IN THE TENDER AND EXCHANGE OFFER.**

**THE FOLLOWING OFFER TO PURCHASE AND EXCHANGE MAY NOT BE DOWNLOADED, FORWARDED OR DISTRIBUTED, IN WHOLE OR IN PART, TO ANY PERSON OTHER THAN AN ELIGIBLE HOLDER AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY DOWNLOADING, FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE OFFER TO PURCHASE AND EXCHANGE IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS REQUIREMENT MAY RESULT IN A VIOLATION OF APPLICABLE LAWS OF THE UNITED STATES OR OTHER JURISDICTIONS.**

Each prospective investor is reminded that the Offer to Purchase and Exchange has been delivered to it on the basis that it is a person into whose possession the Offer to Purchase and Exchange may be lawfully delivered in accordance with the laws of the jurisdiction in which it is located and prospective investors may not, nor are prospective investors authorized to, deliver the Offer to Purchase and Exchange to any other person.

The materials relating to the Tender and Exchange Offer described in the Offer to Purchase and Exchange do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that a tender offer or exchange offer be made by a licensed broker or dealer and any of the Dealer Managers (as defined in the Offer to Purchase and Exchange) or any affiliate of such Dealer Managers is a licensed broker or dealer in that jurisdiction, the Tender and Exchange Offer shall be deemed to be made by such Dealer Manager(s) or such affiliate(s) on behalf of the Company in such jurisdiction. Under no circumstances shall the Offer to Purchase and Exchange constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the New Notes (as defined in the Offer to Purchase and Exchange) in any jurisdiction in which such offer, solicitation or sale would be unlawful.

The Offer to Purchase and Exchange has been sent to prospective investors in an electronic form. Prospective investors are reminded that documents transmitted *via* this medium may be altered or changed during the process of electronic transmission and consequently none of the Company, the Dealer Managers nor any person who controls any Dealer Manager nor any director, officer, employee or agent of any Dealer Manager nor any affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Offer to Purchase and Exchange distributed to prospective investors in electronic format and the hard copy version available to prospective investors on request from Bondholder Communications Group, LLC, in its capacity as Information, Tender and Exchange Agent or from the Dealer Managers.

**Mastellone Hermanos S.A.**

Upon the terms and subject to the conditions set forth in this offer to purchase and exchange (as supplemented and amended from time to time, the “Offer to Purchase and Exchange”), and, together with the Offer to Purchase and Exchange, the “Offering Documents”) and the Notice to Tender Existing Loan Debt, we are offering holders of any and all of our outstanding:

- U.S.\$124,413,141 Series A Collateralized Senior Refinancing Notes due 2018 (CUSIP Nos. 57632P AM2 and P6460M AE4 (Regulation S) and ISIN Nos. US57632PAM23 and USP6460MAE41 (Regulation S)) (the “Series A Notes”), and
  - U.S.\$2,847,764 Series C Senior Refinancing Notes due 2018 (CUSIP Nos. 57632P AR1 and P6460M AG9 (Regulation S) and ISIN Nos. US57632PAR10 and USP6460MAG98 (Regulation S)) (the “Series C Notes” and together with the Series A Notes, the “Listed Notes”),
  - U.S.\$650,113 Series B Collateralized Senior Refinancing Notes due 2018 (CUSIP Nos. 57632P AP5 and P6460M AF1 (Regulation S) and ISIN Nos. US57632PAP53 and USP6460MAF16 (Regulation S)) (the “Series B Notes”), and
  - U.S.\$12,973,500 Collateralized Refinancing Fixed Rate Debt due 2018 (the “Fixed Rate Loan Debt”),
  - U.S.\$7,000,000 Series D Collateralized Senior Refinancing Notes due 2015 (CUSIP Nos. 57632P AT7 and P6460M AH7 (Regulation S) and ISIN Nos. US57632PAT75 and USP6460MAH71 (Regulation S)) (the “Series D Notes” and, together with the Series B Notes and the Listed Notes, the “Existing Notes”), and
  - U.S.\$23,416,240 Collateralized Refinancing Floating Rate Debt due 2015 (the “Floating Rate Loan Debt” and, together with the Fixed Rate Loan Debt, the “Existing Loan Debt” and, together with the Existing Notes, the “Existing Debt”).
- to
- exchange (the “Exchange Offer”) each U.S.\$1,000 principal amount of Listed Notes properly tendered (and not validly withdrawn): (i) by the Early Participation Deadline (as defined below), for U.S.\$950 principal amount of our Series F Notes due 2021 with a coupon of not less than 12% (the “New Notes”) (the “Exchange Consideration”) plus U.S.\$50 principal amount of New Notes (the “Early Exchange Consideration”), or (ii) after the Early Participation Deadline but prior to the Expiration Deadline (as defined below), for the Exchange Consideration, or
  - purchase (the “Listed Notes Tender Offer”) each U.S.\$1,000 principal amount of Listed Notes properly tendered (and not validly withdrawn): (i) by the Early Participation Deadline, for a cash payment equal to the sum of U.S.\$950 (the “Tender Consideration”) and U.S.\$50 (the “Early Tender Consideration”) and, together with the Early Exchange Consideration, the “Early Participation Consideration”), or (ii) after the Early Participation Deadline but prior to the Expiration Deadline, for a cash payment equal to the Tender Consideration of U.S.\$950,
  - purchase (the “Series B Notes and Fixed Rate Loan Debt Tender Offer”) each U.S.\$1,000 principal amount of Series B Notes and Fixed Rate Loan Debt properly tendered (and not validly withdrawn) pursuant to the Tender Offer: (i) by the Early Participation Deadline, for a cash payment equal to the sum of the Tender Consideration of U.S.\$950 and the Early Tender Consideration of U.S.\$50, or (ii) after the Early Participation Deadline but prior to the Expiration Deadline, for a cash payment equal to the Tender Consideration of U.S.\$950,
  - purchase (the “Series D Notes and Floating Rate Loan Debt Tender Offer”) each U.S.\$1,000 principal amount of Series D Notes or Floating Rate Loan Debt properly tendered (and not validly withdrawn) pursuant to the Tender Offer (together with the offer to purchase the Series A Notes, the Series C Notes, the Series B Notes and the Fixed Rate Loan Debt, the “Tender Offer” and, together with the Exchange Offer, the “Tender and Exchange Offer”): (i) by the Early Participation Deadline, for a cash payment equal to the sum of the Tender Consideration and the Early Tender Consideration, or (ii) after the Early Participation Deadline but prior to the Expiration Deadline, for a cash payment equal to the Tender Consideration.

**THE TENDER AND EXCHANGE OFFER WILL EXPIRE AT 5:00 PM, NEW YORK CITY TIME, ON JULY 1, 2014 UNLESS EXTENDED (SUCH TIME AND DATE, AS THEY MAY BE EXTENDED, THE “EXPIRATION DEADLINE”). IN ORDER TO RECEIVE THE EARLY PARTICIPATION CONSIDERATION, HOLDERS MUST VALIDLY TENDER EXISTING DEBT BY 5:00 PM, NEW YORK CITY TIME, ON JUNE 18, 2014, UNLESS EXTENDED (SUCH TIME AND DATE, AS THEY MAY BE EXTENDED, THE “EARLY PARTICIPATION DEADLINE”).**

**Participating in the Tender and Exchange Offer and investing in the New Notes involves risks. See “Risk Factors” beginning on page 12 and “Annex A – Risk Factors” beginning on page A-1.**

Application will be made to list the New Notes on the Official List of the Luxembourg Stock Exchange and to admit the New Notes for trading on the Euro MTF Market of the Luxembourg Stock Exchange. We intend to apply to have the New Notes listed on the Buenos Aires Stock Exchange (*Bolsa de Comercio de Buenos Aires* or “BCBA”). We may also apply for them to be eligible for trading on the *Mercado Abierto Electrónico S.A.* or “MAE”. The New Notes will constitute non-convertible *obligaciones negociables* under Argentine Law No. 23,576, as amended by Argentine Law No. 23,962 (the “Negotiable Obligations Law”), will be entitled to the benefits set forth therein and subject to the procedural requirements established therein, and will be placed in accordance with such law, Argentine Law No. 26,831 and Joint Resolutions No. 470-1738/2004, No. 500-2222/2007 and No. 521-2352/2007, as amended, issued by the Argentine securities commission (*Comisión Nacional de Valores* or “CNV”) and the Argentine tax authority (*Administración Federal de Ingresos Públicos*), and General Resolution No. 622/2013, as amended, issued by CNV (“CNV Rules”).

The offering of the New Notes will be authorized by the CNV. The CNV authorization will mean only that the information contained in the Argentine Prospectus (as defined herein) complies with the requirements of the CNV. The CNV has not rendered and will not render any opinion with respect to the accuracy of the information contained in this Offer to Purchase and Exchange or the Argentine Prospectus.

**The New Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”) or under any state securities law. Each holder of Existing Notes must complete a letter (the “Eligibility Letter”) certifying that it is (a) a “qualified institutional buyer”, as that term is defined in Rule 144A under the Securities Act, or (b) a non-U.S. person located outside the United States in an offshore transaction in accordance with Regulation S. Only Eligible Holders and holders of Existing Loan Debt are authorized to receive this Offer to Purchase and Exchange or to participate in the Tender and Exchange Offer. If you are unable to certify that you are either a qualified institutional buyer or a person domiciled outside of the United States other than a U.S. person, we are not soliciting you to tender Existing Notes in the Tender and Exchange Offer and you may not participate in the Tender and Exchange Offer.**

*Dealer Managers*

**BofA Merrill Lynch**

**Deutsche Bank Securities**

The date of this Offer to Purchase and Exchange is June 4, 2014.

CUSIP/ ISIN	Principal amount outstanding U.S.\$	Title of Existing Debt	Exchange Offer		Tender Offer	
			New Notes per U.S.\$1,000 principal amount of Listed Notes <sup>(1)</sup>		Cash payment per U.S.\$1,000 principal amount of Existing Debt	
			Exchange Consideration U.S.\$	Early Exchange Consideration U.S.\$	Tender Consideration U.S.\$	Early Tender Consideration U.S.\$
<b>Listed Notes</b>						
CUSIP 57632PAM2 / 6460MAE4 ISIN US57632PAM23 / USP6460MAE41	124,413,141	Series A Collateralized Senior Refinancing Notes due 2018	950	50	950	50
CUSIP 57632PAR1 / P6460MAG9 ISIN US57632PAR10 / USP6460MAG98	2,847,764	Series C Senior Refinancing Notes due 2018	950	50	950	50
<b>Series B Notes and Fixed Rate Loan Debt</b>						
CUSIP 57632PAP5 / P6460MAF1 ISIN US57632PAP53 / USP6460MAF16	650,113	Series B Collateralized Senior Refinancing Notes due 2018	-	-	950	50
n/a .....	12,973,500	Collateralized Refinancing Fixed Rate Debt due 2018	-	-	950	50
<b>Series D Notes and Floating Rate Loan Debt</b>						
CUSIP 57632PAT7 / P6460MAH7 ISIN US57632PAT75 /USP6460MAH71	7,000,000	Series D Collateralized Senior Refinancing Notes due 2015	-	-	950	50
n/a .....	23,416,240	Collateralized Refinancing Floating Rate Debt due 2015	-	-	950	50

(1) The New Notes will have a coupon of not less than 12%. On the Coupon Determination Date (as defined below), we will determine and announce the interest rate on the New Notes. See “Summary Time Schedule for the Tender and Exchange Offer”.

## **Tender and Exchange Offer in Argentina**

IN ARGENTINA, THE TENDER AND EXCHANGE OFFER AND THE OFFER OF ADDITIONAL NEW NOTES (AS DEFINED BELOW) ARE BEING MADE SOLELY PURSUANT TO A SPANISH-LANGUAGE ARGENTINE PROSPECTUS DATED MAY 9, 2014, A PRICING SUPPLEMENT FOR THE ADDITIONAL NEW NOTES TO BE ISSUED BY THE COMPANY UPON AUTHORIZATION BY THE CNV, AN ARGENTINE PROSPECTUS FOR THE TENDER AND EXCHANGE OFFER DATED JUNE 4, 2014, AND AN ARGENTINE FINAL TERMS NOTICE (SUCH DOCUMENTS TOGETHER, THE “**ARGENTINE PROSPECTUS**”). THE ARGENTINE PROSPECTUS, WHICH IS NOT INCORPORATED BY REFERENCE HEREIN, MAY BE OBTAINED ON THE CNV’S WEBSITE ([WWW.CNV.GOB.AR](http://WWW.CNV.GOB.AR)) AND AT OUR OFFICES, LOCATED AT JUANA MANSO 555 – 3RD FLOOR –, CITY OF BUENOS AIRES, ARGENTINA. THIS OFFER TO PURCHASE AND EXCHANGE CONTAINS SUBSTANTIALLY THE SAME INFORMATION THAT IS INCLUDED IN THE ARGENTINE PROSPECTUS OTHER THAN WITH RESPECT TO THE DESCRIPTION OF U.S. SECURITIES AND TAX LAWS THAT ARE RELEVANT TO THE EXISTING NOTES, NEW NOTES AND ADDITIONAL NEW NOTES. SEE “OFFER RESTRICTIONS—ARGENTINA.”

### **Withdrawal of Tenders**

**EXISTING DEBT TENDERED IN THE TENDER AND EXCHANGE OFFER MAY BE WITHDRAWN PRIOR TO 5:00 PM, NEW YORK CITY TIME, ON JUNE 18, 2014 (SUCH TIME AND DATE, AS THEY MAY BE EXTENDED, THE “WITHDRAWAL DEADLINE”). HOLDERS MAY WITHDRAW TENDERED EXISTING DEBT AT ANY TIME PRIOR TO THE WITHDRAWAL DEADLINE, BUT HOLDERS MAY NOT WITHDRAW THEIR TENDERED EXISTING DEBT ON OR AFTER THE WITHDRAWAL DEADLINE EXCEPT AS REQUIRED BY APPLICABLE LAW. SEE “RISK FACTORS—HOLDERS OF EXISTING DEBT MAY NOT WITHDRAW THEIR TENDERED EXISTING DEBT ON OR AFTER THE WITHDRAWAL DEADLINE EXCEPT AS REQUIRED BY APPLICABLE LAW” AND “WITHDRAWAL OF TENDERS.”**

### **Acceptance and Settlement Dates; Early Participation Consideration**

At any time after the Early Participation Deadline but before the Expiration Deadline, we may elect to accept Existing Debt validly tendered prior to the Early Participation Deadline (such time, the “**Early Acceptance Date**”). Payment for all Existing Debt validly tendered prior to the Early Participation Deadline will be made promptly following the Early Acceptance Date, if any (the “**Early Settlement Date**”). Promptly following the Expiration Deadline, we will accept any and all validly tendered Existing Debt not previously purchased (the “**Final Acceptance Date**”), subject to the terms and conditions of the Offering Documents. Such payment will be made promptly following the Final Acceptance Date (the “**Final Settlement Date**”).

Holders of Existing Debt who wish to participate in the Tender and Exchange Offer and receive the Early Participation Consideration must tender prior to the Early Participation Deadline. Holders of Existing Debt who participate in the Tender Offer after the Early Participation Deadline but prior to the Expiration Deadline will only receive the Tender Consideration. Holders of Listed Notes who participate in the Exchange Offer after the Early Participation Deadline but prior to the Expiration Deadline will only receive the Exchange Consideration. See “General Terms of the Tender and Exchange Offer—Terms of the Tender and Exchange Offer.”

### **Accrued and Unpaid Interest**

Holders of Existing Debt properly tendered in the Tender and Exchange Offer (and not validly withdrawn) and accepted pursuant to the terms of the Tender and Exchange Offer will be entitled to receive in cash accrued and unpaid interest on their tendered Existing Debt up to, but excluding, the Early Settlement Date or the Final Settlement Date, as the case may be, in addition to the consideration that such holder would receive in the Tender and Exchange Offer. Notwithstanding the foregoing, holders of Listed Notes who exchange Listed Notes after the Early Participation Deadline, but prior to the Expiration Deadline, will be entitled to receive accrued and unpaid interest in cash on such Listed Notes up to, but excluding, the Final Settlement Date less interest accrued on the New Notes from the Early Settlement Date to, but excluding, the Final Settlement Date. See “Acceptance of Existing Debt; Accrued Interest—Accrued Interest.”

## Conditions to the Tender and Exchange Offer

Notwithstanding any other provision of the Tender and Exchange Offer, our obligation to accept for exchange or purchase, as applicable, any of the Existing Debt validly tendered is subject to the satisfaction, or in the case of the Minimum Principal Amount Condition (as defined below) waiver, of the following conditions, among others, on or prior to the Early Settlement Date:

- the issuance of at least U.S.\$200 million aggregate principal amount of New Notes in the Exchange Offer and in the Concurrent Offering (as described below) taken together (the “**Minimum Principal Amount Condition**”); and
- the Company having received net cash proceeds from the issuance and settlement of New Notes pursuant to the Concurrent Offering in an aggregate principal amount of not less than the sum of the aggregate dollar amount corresponding to the Tender Consideration plus the Early Tender Consideration and the amount required by the Company to redeem or cancel any Existing Debt that is not purchased or tendered pursuant to the Tender and Exchange Offer (collectively, the “**Financing Condition**”).

We refer to these conditions as the “**Special Conditions.**” We may waive the Minimum Principal Amount Condition, but not the Financing Condition.

**In addition to the Special Conditions, completion of the Tender and Exchange Offer is subject to the satisfaction or waiver of a number of conditions as set forth in this Offer to Purchase and Exchange (the “General Conditions”). See “General Terms of the Tender and Exchange Offer” and “Conditions to the Tender and Exchange Offer.”**

## Concurrent Offering

The Company will conduct the offering of New Notes (the “**Concurrent Offering**”) pursuant to a separate offering document, and not by this Offer to Purchase and Exchange. We intend to settle the Concurrent Offering immediately after the Early Participation Deadline. Any New Notes issued in the Concurrent Offering will constitute a single series with, be assigned the same CUSIP and ISIN numbers, and have the same terms and conditions as, the New Notes issued in the Exchange Offer. The New Notes issued in the Concurrent Offering are expected to be fungible for U.S. federal income tax purposes with the New Notes. See “Annex A—Description of the Notes” and “Concurrent Offering.”

## The Indentures and Loan Agreement

The New Notes will be issued pursuant to an indenture (the “**New Indenture**”) among the Company, as issuer, U.S. Bank National Association, as trustee, co-registrar and principal paying agent, and Banco Santander Río S.A., as registrar, paying agent, transfer agent and representative of the trustee in Argentina, Société Générale Securities Services, as Luxembourg paying and transfer agent, and the subsidiary guarantors named therein, to be dated as of the Early Settlement Date. The New Indenture will be available upon submitting a request to the Company. The New Notes issued in the Exchange Offer will form part of the same series as any New Notes issued for cash in the Concurrent Offering.

The Existing Notes were issued under an indenture, dated as of May 7, 2010, as amended and supplemented (the “**May 2010 Indenture**”), among the Company, as issuer, U.S. Bank National Association, as trustee, co-registrar, principal paying agent and calculation agent, Banco Santander Río S.A., as registrar, paying agent, transfer agent and representative of the trustee in Argentina, the subsidiary guarantors named therein, and Banco Santander Río S.A., as collateral agent.

The Existing Loan Debt was issued under a loan agreement, dated as of May 7, 2010 (the “**Loan Agreement**”), among the Company, as debtor, Banco Santander Río S.A., as administrative agent, the lenders named therein and the subsidiary guarantors named therein.

**NOTICE TO NEW HAMPSHIRE RESIDENTS ONLY**

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES (“RSA”) WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE IMPLIES THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT ANY EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

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Unless otherwise indicated or the context otherwise requires, all references in this Offer to Purchase and Exchange to “we,” “us,” “our,” and the “Company” mean Mastellone Hermanos S.A. and its subsidiaries on a consolidated basis.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained or incorporated by reference in this Offer to Purchase and Exchange. You must not rely on any unauthorized information or representations. The information contained or incorporated by reference in this Offer to Purchase and Exchange is current only as of the date hereof or the dates of the documents incorporated by reference herein.

This Offer to Purchase and Exchange is confidential. You are authorized to use this Offer to Purchase and Exchange solely for the purpose of considering the Tender and Exchange Offer described in this Offer to Purchase and Exchange. We and other sources identified herein have provided the information contained in or incorporated by reference into this Offer to Purchase and Exchange. You may not reproduce or distribute this Offer to Purchase and Exchange, in whole or in part, and you may not disclose any of the contents of this Offer to Purchase and Exchange or use any information herein for any purpose other than considering the Tender and Exchange Offer. You agree to the foregoing by accepting delivery of this Offer to Purchase and Exchange.

**THE SECURITIES OFFERED HEREBY HAVE NOT BEEN RECOMMENDED BY ANY UNITED STATES FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

The distribution of this Offer to Purchase and Exchange and the offering and issuance of the New Notes in certain jurisdictions may be restricted by law. We require persons into whose possession this Offer to Purchase and Exchange comes to inform themselves about and to observe any such restrictions. By tendering Existing Notes, you will be deemed to have made certain acknowledgments, representations and agreements as set forth under “Transfer Restrictions on the New Notes” in this Offer to Purchase and Exchange. This Offer to Purchase and Exchange does not constitute an offer of any of the New Notes in any jurisdiction in which such offer would be unlawful.

The Dealer Managers make no representation or warranty, expressed or implied, as to the accuracy or completeness of the information contained in this Offer to Purchase and Exchange. Nothing contained in this Offer to Purchase and Exchange is, or shall be relied upon as, a promise or representation by the Dealer Managers as to the past or future.

The Company has prepared this Offer to Purchase and Exchange and is solely responsible for its contents. You are responsible for making your own examination of the Company and your own assessment of the merits and risks of participating in the Tender and Exchange Offer and tendering Existing Debt. By tendering your Existing Debt, you will be deemed to have acknowledged that:

- you have been afforded an opportunity to request from us, and to review, all additional information considered by you to be necessary to verify the accuracy of, or to supplement, the information contained in this Offer to Purchase and Exchange;
- you have not relied on the Dealer Managers or their agents or any person affiliated with the Dealer Managers or their agents in connection with your investigation of the accuracy of such information or your investment decision;
- no person has been authorized to give any information or to make any representation concerning us or the New Notes other than those as set forth in this Offer to Purchase and Exchange. If given or made, any such other information or representation should not be relied upon as having been authorized by us, the Dealer Managers or their agents; and
- none of the Company or the Dealer Managers or any of their respective affiliates, control persons, directors, officers, employees, agents, representatives, is liable or responsible for, and is not making any



representations, express or implied, to you concerning our future performance, or, except for the Company, the accuracy or completeness of the information contained in this Offer to Purchase and Exchange.

Neither the Company nor the Dealer Managers are providing you with any legal, business, tax or other advice in this Offer to Purchase and Exchange. You should consult with your own advisors as needed to assist you in making your investment decision and to advise you whether you are legally permitted to accept the Tender and Exchange Offer and tender Existing Debt.

## OFFER RESTRICTIONS

This Offer to Purchase and Exchange does not constitute an offer or an invitation to participate in the Tender and Exchange Offer in any jurisdiction in or from which, or to any person to whom, it is unlawful to make such offer or invitation under applicable securities or blue sky laws. The Tender and Exchange Offer is not being made to, nor will we accept exchanges from, holders of any of the Existing Debt in any jurisdiction in which a Tender and Exchange Offer or the acceptance of any outstanding Listed Notes in exchange for the New Notes would violate the securities or blue sky laws of such jurisdiction. Holders are required to make themselves aware and abide by any applicable restrictions imposed in the jurisdiction in which they are located. The distribution of this Offer to Purchase and Exchange in certain jurisdictions may be restricted by law. Persons into whose possession this Offer to Purchase and Exchange comes are required by us and each of the Dealer Managers and the Information, Tender and Exchange Agent to inform themselves about, and to observe, any such restrictions.

Only Eligible Holders are authorized to receive or review this Offer to Purchase and Exchange or to participate in the Tender and Exchange Offer. No action has been or will be taken in any jurisdiction (other than Argentina) by us, the Dealer Managers or the Information, Tender and Exchange Agent that would constitute a public offering of the New Notes.

See also “Transfer Restrictions on the New Notes.”

### Argentina

The Tender and Exchange Offer will be made in Argentina by Merrill Lynch Argentina S.A. and Deutsche Bank S.A. using the Argentine Prospectus, as amended or supplemented from time to time, and other Argentine documents. The CNV will not issue an opinion with regard to the information contained in this Offer to Purchase and Exchange, the Argentine Prospectus or any other Argentine document. The CNV’s authorization in respect of the issuance of the New Notes only means that the information contained in the Argentine Prospectus complies with the CNV Rules. The CNV has not rendered any opinion with respect to the accuracy of the information contained in this Offer to Purchase and Exchange, the Argentine Prospectus or any other Argentine document.

### Chile

The Tender and Exchange Offer began on June 4, 2014 and is subject to General Rule No. 336, dated June 27, 2012, of the *Superintendencia de Valores y Seguros de Chile* (Chilean Superintendency of Securities and Insurance, or “SVS”).

The Tender and Exchange Offer relates to securities not registered with the *Registro de Valores* (Securities Registry) or the *Registro de Valores Extranjeros* (Registry of Foreign Securities) of the SVS; therefore, the New Notes are not subject to the supervision and oversight of the SVS. Because the New Notes are unregistered securities in Chile, we are not required to disclose public information about the New Notes in Chile. The New Notes may not be publicly offered in Chile unless they are registered with the relevant securities registry.

*La Oferta de Compra y Canje comienza el 4 de junio de 2014 y está acogida a la NCG N° 336, de fecha 27 de junio de 2012 de la Superintendencia de Valores y Seguros de Chile (SVS).*

*La Oferta de Compra y Canje versa sobre valores no inscritos en el Registro de Valores o en el Registro de Valores Extranjeros que lleva la SVS, por lo que tales valores no están sujetos a la fiscalización de dicho organismo. Por tratarse de valores no inscritos, no existe obligación por parte del emisor de entregar en Chile información pública respecto de los valores. Estos valores no pueden ser objeto de oferta pública, mientras no sean inscritos en el registro de valores correspondiente.*

### European Economic Area

This Tender and Exchange Offer has been prepared on the basis that any offer of New Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”) will be made pursuant to an exemption under the Prospectus Directive from the requirement to

publish a prospectus for offers of New Notes Accordingly any person making or intending to make an offer in that Relevant Member State of securities which are the subject of an offering contemplated in this Tender and Exchange Offer as completed by final terms in relation to the offer of those securities may only do so in circumstances in which no obligation arises for the Company or any Dealer Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer.

In relation to each Relevant Member State, each Dealer Manager has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”) it has not made and will not make an offer of New Notes which are the subject of the offering contemplated by this Tender and Exchange Offer to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such New Notes to the public in that Relevant Member State:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant Dealer Manager or Dealer Managers nominated by the Company for any such offer; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes shall require the Company or any Dealer Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

Each person in a Relevant Member State who receives any communication in respect of, or who acquires any New Notes under, the offers to the public contemplated in this Tender and Exchange Offer will be deemed to have represented, warranted and agreed to and with each Dealer Manager and the Company that:

- (a) it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive; and
- (b) in the case of any New Notes acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the New Notes acquired by it in the Tender and Exchange Offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the Dealer Managers has been given to the offer or resale; or (ii) where New Notes have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those New Notes to it is not treated under the Prospectus Directive as having been made to such persons.

For the purposes of this representation, the expression an “offer to the public” in relation to any New Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any New Notes to be offered so as to enable an investor to decide to purchase or subscribe for the New Notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

The expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

In connection with both the Tender and Exchange Offer each Dealer Manager is not acting for anyone other than the Company and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for providing advice in relation to the Tender or Exchange Offer.

## Switzerland

The New Notes may not be publicly offered, sold or advertised, directly or indirectly, in or from Switzerland. Neither this Tender and Exchange Offer nor any other offering or marketing material relating to the New Notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Federal Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange Ltd., and neither this Tender and Exchange Offer nor any other offering or marketing material relating to the New Notes may be publicly distributed or otherwise made publicly available in Switzerland.

## United Kingdom

Each Dealer Manager has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the “FSMA”)) received by it in connection with the issue or sale of the New Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Company or the subsidiary guarantors; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the New Notes in, from or otherwise involving the United Kingdom.

This Tender and Exchange Offer is for distribution only to persons who (i) are existing bondholders falling within Article 43 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “**Financial Promotion Order**”) (ii) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Promotions Order (iii) are persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations etc”) of the Financial Promotion Order, (iv) are outside the United Kingdom, or (v) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “relevant persons”). This Tender and Exchange Offer is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons.

## United States

The Tender and Exchange Offer is being made in reliance upon an exemption from the registration requirements under the Securities Act and analogous provisions of certain state securities laws. The Tender and Exchange Offer is only being made to holders of Existing Notes that have previously completed and returned to us an Eligibility Letter and that are (i) “qualified institutional buyers”, as that term is defined in Rule 144A under the Securities Act, or (ii) non-U.S. persons located outside the United States in an offshore transaction in accordance with Regulation S. Only holders of Existing Notes who have satisfied these requirements and holders of Existing Loan Debt are authorized to receive or review this Offer to Purchase and Exchange or to participate in the Tender and Exchange Offer. If you are unable to certify that you are either a qualified institutional buyer or a person domiciled outside of the United States other than a U.S. person, we are not soliciting you to tender Existing Notes in the Tender and Exchange Offer and you may not participate in the Tender and Exchange Offer.

## ENFORCEMENT OF FOREIGN JUDGMENTS

We are incorporated in Argentina. All of our directors and executive officers named in this Offer to Purchase and Exchange are residents in Argentina and all or substantially all of our assets or those of such persons are located outside the United States. As a result, it may not be possible for investors to effect service of process upon us or such persons or to enforce judgments against them or against us predicated upon the civil liability provisions of the U.S. federal securities laws or the laws of such other jurisdictions.

In the terms and conditions of the New Notes, we will (i) agree that the courts of the State of New York and the federal courts of the United States, in each case sitting in the Borough of Manhattan, City and State of New York, will have non-exclusive jurisdiction to hear and determine any suit, action or proceeding, and to settle any dispute, which may arise out of or in connection with the New Notes and, for such purposes, irrevocably submit to the jurisdiction of such courts and (ii) name an agent for service of process in the Borough of Manhattan, New York City. See “Summary Description of the New Notes” and “Annex A—Description of the Notes.”

Foreign judgments would be recognized and enforced by the courts in Argentina provided that the requirements of Article 517 of the Federal Civil and Commercial Procedure Code (if enforcement is sought before the Argentine federal courts) are met. These requirements include (i) the judgment, which must be final in the jurisdiction where rendered, must have been issued by a court competent pursuant to Argentine principles regarding international jurisdiction and must have resulted from a personal action, or an *in rem* action with respect to personal property if such property was transferred to Argentine territory during or after the prosecution of the foreign action, (ii) the defendant against whom enforcement of the judgment is sought must have been personally served with the summons and, in accordance with due process of law, must have been given an opportunity to defend against foreign action, (iii) the judgment must be valid in the jurisdiction where rendered and its authenticity must be established in accordance with the requirements of Argentine law, (iv) the judgment must not violate the principles of public policy of Argentine law, and (v) the judgment must not be contrary to a prior or simultaneous judgment of an Argentine court.

We have been advised by our Argentine counsel, Cibils, Labougle, Ibañez, that there is doubt as to the enforceability, in original actions in Argentine courts, of liabilities predicated solely upon the federal securities laws of the United States and as to the enforceability in Argentine courts of judgments of United States courts obtained in actions against us predicated upon the civil liability provisions of the federal securities laws of the United States.

## WHERE YOU CAN FIND MORE INFORMATION

To the extent specified in any filing we make with the CNV, any item filed with the CNV and furnished to the Dealer Managers, together with a translation into English of such item, shall be deemed incorporated by reference herein as of the date of such delivery to the Dealer Managers. We will distribute the English translation of such items to each holder of Existing Notes that completed an Eligibility Letter at the address provided in such Eligibility Letter and to holders of Existing Loan Debt. The Eligibility Letter may be completed electronically on the website provided by the information agent. You also may request a copy of such documents from the Information, Tender and Exchange Agent at no cost, by writing or telephoning it as directed on the back cover. Only holders of Existing Notes that have submitted the Eligibility Letter and holders of Existing Loan Debt are authorized to receive or review this Offer to Purchase and Exchange or to participate in the Tender and Exchange Offer.

We will agree in the New Indenture to make available to each holder and each prospective purchaser of the New Notes designated by such holder, upon request, the information required to be provided pursuant to Rule 144A(d)(4) under the Securities Act regarding the Company.

We will furnish the trustee under the New Indenture copies in English of our audited annual consolidated financial statements and our unaudited quarterly financial statements for each of the first three quarters of our fiscal year. See “Annex A—Description of the Notes—Certain Covenants—Reports.” Upon receipt thereof, the trustee under the New Indenture will promptly mail copies of such statements to all holders of New Notes.

## SUMMARY TIME SCHEDULE FOR THE TENDER AND EXCHANGE OFFER

Commencement Date .....	June 4, 2014, the date on which the Offer to Purchase and Exchange is announced.
Coupon Determination Date .....	June 16, 2014, the date on which the interest rate will be determined for the New Notes and announced by us.
Early Participation Deadline.....	To be eligible to receive the Early Participation Consideration, you must tender your Existing Debt by 5:00 PM New York City time on June 18, 2014.
Withdrawal Deadline .....	If tendered prior to the Early Participation Deadline, Holders may withdraw tendered Existing Debt at any time prior to the Early Participation Deadline. If tendered after the Early Participation Deadline, Holders may withdraw tendered Existing Debt at any time prior the Expiration Date.
Pricing Date for New Notes in the Concurrent Offering .....	On or about June 19, 2014
Early Acceptance Date .....	On or about June 19, 2014
Early Settlement Date .....	On or about June 26, 2014
Expiration Deadline .....	5:00 PM New York City time on July 1, 2014
Final Acceptance Date.....	On or about July 2, 2014
Final Settlement Date .....	On or about July 3, 2014

## SUMMARY OF THE TERMS OF THE TENDER AND EXCHANGE OFFER

The following summary contains information about the Tender and Exchange Offer. It does not contain all of the information that may be important to you in making a decision to participate in the Tender and Exchange Offer. For a more complete understanding of the Company and the Tender and Exchange Offer, we urge you to read this Offer to Purchase and Exchange carefully, including the sections entitled “Risk Factors,” “Annex A—Risk Factors” and “Annex A—Forward-Looking Statements.” Certain descriptions in this Offer to Purchase and Exchange of provisions of the New Notes are summaries of such provisions and are qualified herein by reference to the New Indenture, as supplemented from time to time. Copies of the New Indenture and any supplements will, when available, be provided to you upon your request to the Company.

The Tender and Exchange Offer..... The Company is offering to (i) purchase pursuant to the Tender Offer (the “**Tender Offer**”) all of the properly tendered (and not validly withdrawn) and accepted outstanding principal amount of the Existing Debt, or (ii) exchange pursuant to the Exchange Offer (the “**Exchange Offer**”) and, together with the Tender Offer, the “**Tender and Exchange Offer**”) all of the properly tendered (and not validly withdrawn) and accepted outstanding principal amount of the Listed Notes, in each case for the consideration set out below.

The New Notes ..... For a description of the New Notes, see “Summary Description of the New Notes” and “Annex A—Description of the Notes.” Only Listed Notes may be tendered in exchange for New Notes. A participating holder will only be entitled to receive New Notes in the Exchange Offer if it tenders its Listed Notes by the Expiration Deadline.

Holders Eligible to Participate in the Tender and Exchange Offer ..... The Tender and Exchange Offer is being solicited only from holders of Existing Notes who have properly completed, executed and delivered to the Information, Tender and Exchange Agent the Eligibility Letter, whereby such holder has represented to the Information, Tender and Exchange Agent that it is one of the following: (a) a “qualified institutional buyer,” as that term is defined in Rule 144A under the Securities Act, or (b) a non-U.S. person located outside the United States in an offshore transaction in accordance with Regulation S. Only holders of Existing Notes who have satisfied these requirements and holders of Existing Loan Debt are authorized to receive or review this Offer to Purchase and Exchange or to participate in the Tender and Exchange Offer. If you are unable to certify that you are either a qualified institutional buyer or a person domiciled outside of the United States other than a U.S. person, we are not soliciting you to tender Existing Notes in the Tender and Exchange Offer and you may not participate in the Tender and Exchange Offer.

Purpose of the Tender and Exchange Offer..... The Company is seeking to extend the maturity profile of its outstanding indebtedness and to adjust its terms and conditions to current market practices.

Consideration ..... The Tender Offer: In exchange for each U.S.\$1,000 principal amount of Existing Debt properly tendered (and not validly withdrawn) by 5:00 PM New York City time, on June 18, 2014 (such time and date, as they may be extended, the “**Early Participation Deadline**”) and accepted pursuant to the Tender Offer, participating holders will receive a cash payment equal to:

- in the case of Listed Notes, the sum of U.S.\$950 (the “**Tender Consideration**”) and U.S.\$50 (the “**Early Tender Consideration**”),
- in the case of Series B Notes and Fixed Rate Loan Debt, the sum of a



Tender Consideration and an Early Tender Consideration, and

- in the case of Series D Notes and Floating Rate Loan Debt, the sum of a Tender Consideration and an Early Tender Consideration.

Holders of Existing Debt who tender their Existing Debt after the Early Participation Deadline, but prior to 5:00 PM, New York City time, on July 1, 2014 (such time and date, as they may be extended, the “**Expiration Deadline**”), will only receive the applicable Tender Consideration set forth above.

The Exchange Offer: In exchange for each U.S.\$1,000 principal amount of Listed Notes properly tendered (and not validly withdrawn) by the Early Participation Deadline, participating holders of Listed Notes will receive U.S.\$950 principal amount of New Notes (the “**Exchange Consideration**”) plus U.S.\$50 principal amount of New Notes (the “**Early Exchange Consideration**” and, together with the Early Tender Consideration, the “**Early Participation Consideration**”).

Holders of Listed Notes who tender their Listed Notes for exchange after the Early Participation Deadline, but prior to the Expiration Deadline, will only receive the Exchange Consideration.

Accrued and Unpaid Interest .....

Holders of Existing Debt properly tendered in the Tender and Exchange Offer (and not validly withdrawn) and accepted pursuant to the Tender and Exchange Offer will be entitled to receive in cash accrued and unpaid interest on their tendered Existing Debt up to, but excluding, the Early Settlement Date or the Final Settlement Date, as the case may be, in addition to the consideration that such holder would receive in the Tender and Exchange Offer. Notwithstanding the foregoing, holders of Listed Notes who exchange Listed Notes after the Early Participation Deadline, but prior to the Expiration Deadline, will be entitled to receive accrued and unpaid interest in cash on such Listed Notes up to, but excluding, the Final Settlement Date less interest accrued on the New Notes from the Early Settlement Date to, but excluding, the Final Settlement Date.

Under no circumstances will any special interest be payable by the Company or the Information, Tender and Exchange Agent because of any delay in the transmission of funds to any holder of Listed Notes with respect to the New Notes to be received in exchange for the Listed Notes, the payment of the Exchange Consideration or otherwise.

See “Acceptance of Existing Debt; Accrued Interest.”

Additional Amounts .....

We understand that the payment of the Tender Consideration and the Early Participation Consideration to holders of Existing Debt is not subject to withholding or deduction by us for any Argentine taxes. In the event that we are required by law to deduct or withhold a portion of the Tender Consideration or the Early Participation Consideration payable pursuant to the Tender and Exchange Offer to holders of the Existing Debt, we agree to (i) pay such additional amounts as may be necessary to ensure that the amounts received by any such holder of Existing Debt after such withholding or deduction (including any withholding or deduction with respect to such additional amounts) shall equal the amount that such holder of Existing Debt would have received in the absence of such withholding or deduction and (ii) indemnify and hold harmless (on a grossed-up basis) such holder of Existing Debt from any loss that may effect such holder of Existing Debt including any payment which such holder of Existing Debt may have been

obliged to make, in direct connection with any determination by Argentine tax authorities that a withholding tax or deduction was applicable; provided that our obligation to pay any additional amounts pursuant to this paragraph will be subject to the same exceptions and limitations that apply to our obligation to pay additional amounts with respect to payments under the Existing Debt, as set forth in the Existing Indentures and Loan Agreement.

No Minimum or Maximum Size of the Tender and Exchange Offer .....

Subject to the Special Conditions, there is no minimum or maximum amount of outstanding Existing Debt that may be purchased or exchanged by us pursuant to the Tender and Exchange Offer.

Conditions to the Tender and Exchange Offer .....

Notwithstanding any other provision of the Tender and Exchange Offer, our obligation to accept for exchange or purchase, as applicable, any of the Existing Debt validly tendered is subject to the satisfaction, or in the case of the Minimum Principal Amount Condition (as defined below) waiver, of the following conditions, among others, on or prior to the Early Settlement Date:

- the issuance of at least U.S.\$200 million aggregate principal amount of New Notes in the Exchange Offer and in the Concurrent Offering (as described below) taken together (the “**Minimum Principal Amount Condition**”); and
- the Company having received net cash proceeds from the issuance and settlement of New Notes pursuant to the Concurrent Offering in an aggregate principal amount of not less than the sum of the aggregate dollar amount corresponding to the Tender Consideration plus the Early Tender Consideration and the amount required by the Company to redeem or cancel any Existing Debt that is not purchased or tendered pursuant to the Tender and Exchange Offer (collectively, the “**Financing Condition**”)

We refer to these conditions as the “**Special Conditions.**” We may waive the Minimum Principal Amount Condition, but not the Financing Condition.

**In addition to the Special Conditions, completion of the Tender and Exchange Offer is subject to the satisfaction or waiver of a number of conditions as set forth in this Offer to Purchase and Exchange (the “General Conditions”). See “Conditions to the Tender and Exchange Offer.”**

Transfer Restrictions .....

The New Notes have not been registered under the Securities Act or any state securities laws. The New Notes may not be offered or sold except under an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. For more details, see “Transfer Restrictions.”

Denominations .....

Holders may tender Existing Notes only in authorized denominations, which are a minimum denomination of U.S.\$1.00 and integral multiples of U.S.\$1.00 in excess thereof in the case of all Existing Notes. The New Notes will be issued in minimum denominations of U.S.\$1.00 and integral multiples of U.S.\$1.00 in excess thereof.

Procedure for Tendering Existing Notes .....

If a holder wishes to participate in the Tender and Exchange Offer and such holder’s Existing Notes are held by a custodial entity such as a bank, broker, dealer, trust company or other nominee, such holder must instruct that

custodial entity to tender on the holder's behalf the Existing Notes pursuant to the procedures of the custodial entity.

Custodial entities that are participants in The Depository Trust Company ("DTC") (other than DTC participants which are acting as custodians on the behalf of holders of Existing Notes which are held through Euroclear Bank S.A./N.C., as operator of the Euroclear system ("**Euroclear**"), or Clearstream Banking, *société anonyme* ("**Clearstream**" and, together with DTC and Euroclear, the "**Clearing Systems**") must tender Existing Notes through DTC's Automated Tender Offer Program, known as "ATOP," by which the custodial entity and the beneficial owner on whose behalf the custodial entity is acting agree to be bound. DTC participants which are acting as custodians of Existing Notes held for Euroclear and Clearstream shall not submit ATOP instructions with respect to such Existing Notes. For further information, see "Procedure for Tendering Existing Debt".

Custodial entities that are participants of Euroclear and Clearstream, which hold Existing Notes through Euroclear or Clearstream, and which wish to tender Existing Notes must instruct either Euroclear or Clearstream to block their account in respect of the tendered Existing Notes in accordance with the procedures established by such clearing system. Euroclear and Clearstream shall confirm the blocking of such Existing Notes to the Information, Tender and Exchange Agent.

For further information, holders should contact the Dealer Managers or the Information, Tender and Exchange Agent at their respective telephone numbers and addresses set forth on the back cover page of this Offer to Purchase and Exchange or consult their broker, dealer, commercial bank, trust company or nominee for assistance.

Procedure for Tendering Existing  
Loan Debt .....

Holders of Existing Loan Debt must tender their Existing Loan Debt by executing a Notice to Tender Existing Loan Debt and delivering it to us or Banco Santander Río S.A. on or prior to the Expiration Deadline (or prior to the Early Participation Deadline if the holder wishes to receive the Early Participation Consideration).

Withdrawal of Tenders .....

A holder may withdraw the tender of such holder's Existing Debt at any time prior to the Withdrawal Deadline by submitting a notice of withdrawal to the Information, Tender and Exchange Agent using either DTC's ATOP procedures or via a SWIFT message (transmitted via Euroclear or Clearstream, as relevant) and upon compliance with the other procedures described under "Withdrawal of Tenders." Any Existing Debt tendered prior to the Withdrawal Deadline that is not validly withdrawn prior to the Withdrawal Deadline may not be withdrawn on or after the Withdrawal Deadline, and Existing Debt validly tendered on or after the Withdrawal Deadline may not be withdrawn, in each case except as required by applicable law.

Acceptance of Existing Debt .....

If each of the Special Conditions and General Conditions is satisfied, or in the case of the General Conditions, the Minimum Principal Amount Condition validly waived by us, we will purchase or exchange at the Early Settlement Date or the Final Settlement Date, as applicable, the Existing Debt to be purchased or exchanged by notifying the Information, Tender and Exchange Agent of our acceptance, subject to the terms and conditions set forth in the Offering Documents. We will return promptly to holders any Existing Debt not accepted for purchase or exchange for any reason without expense to such

holders of Existing Notes.

See “Acceptance of Existing Debt; Accrued Interest.”

Extensions, Amendments and

Termination .....

To the extent it is legally permitted to do so, we expressly reserve the absolute right to (i) waive any General Condition or the Minimum Principal Amount Condition, (ii) amend any of the terms of the Tender and Exchange Offer and (iii) modify the consideration offered. Any amendment to the Tender and Exchange Offer will apply to all Existing Debt tendered, regardless of when or in what order such Existing Debt was tendered. If we make a material change in the terms of the Tender and Exchange Offer, we will disseminate additional offer materials or, if appropriate, we will issue a press release setting forth such changes to news media in accordance with applicable law and make an announcement in the BCBA Daily Bulletin and the CNV’s website (<http://www.cnv.gob.ar>), and we will extend the Tender and Exchange Offer, in each case, to the extent required by law. We have the right, in our sole and absolute discretion, to extend the Early Participation Deadline and/or the Expiration Deadline.

Additionally, we expressly reserve the right, in our sole and absolute discretion, to terminate the Tender and Exchange Offer at any time if the Special Conditions or General Conditions to the Tender and Exchange Offer are not met prior to the Early Participation Deadline or the Expiration Deadline, as applicable. In the event that the Tender and Exchange Offer is terminated, withdrawn or otherwise not consummated prior to the Early Participation Deadline or the Expiration Deadline, as applicable, no consideration will be paid or become payable and no New Notes will be issued or become issuable to holders who have validly tendered their Existing Debt pursuant to the Tender and Exchange Offer. In any such event, the Existing Notes previously tendered pursuant to the Tender and Exchange Offer will be promptly returned to the tendering holders.

Use of Proceeds .....

We will not receive any cash proceeds in the Tender and Exchange Offer. We will apply a portion of the net proceeds from the Concurrent Offering to fund the cash payments under this Tender and Exchange Offer, and to pay fees and expenses relating to the Concurrent Offering and this Tender and Exchange Offer and to redeem or cancel any Existing Debt that is not purchased or tendered pursuant to the Tender and Exchange Offer. See “Use of Proceeds.”

Certain Representations,  
Warranties and Undertakings .....

If you participate in the Tender and Exchange Offer and are a (i) “qualified institutional buyer,” as that term is defined in Rule 144A under the Securities Act, or (ii) a non-U.S. person located outside the United States in an offshore transaction in accordance with Regulation S, you will be deemed to have made certain acknowledgments, representations, warranties and undertakings to the Company, the Dealer Managers and the Information, Tender and Exchange Agent. See “Procedures for Tendering Existing Debt—Holders’ Representations, Warranties and Undertakings.”

Offer Restrictions .....

The Company is making the Tender and Exchange Offer only in those jurisdictions where it is legal to do so. See “Offer Restrictions.”

U.S. Taxation.....

For a discussion of certain U.S. federal income tax consequences of the Tender and Exchange Offer to holders of Existing Notes, see “Taxation—Certain U.S. Federal Income Tax Considerations.” The discussion does not address the U.S. federal income tax treatment to holders who tender the

	Existing Loan Debt.
Argentine Taxation .....	For a discussion of certain Argentine tax consequences of the Tender and Exchange Offer to holders of Existing Notes, see “Taxation—Certain Argentine Tax Considerations.”
Information, Tender and Exchange Agent .....	Bondholder Communications Group, LLC.
Dealer Managers.....	Deutsche Bank Securities Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated.
Dealer Managers in Argentina.....	Deutsche Bank S.A. and Merrill Lynch Argentina S.A.
No Recommendation .....	Neither we, our subsidiaries, the Dealer Managers or the Information, Tender and Exchange Agent makes any recommendation in connection with the Tender and Exchange Offer as to whether or not any holders of Existing Debt should tender or refrain from tendering their Existing Debt, and no person has been authorized by any of them to make such a recommendation.
Risk Factors .....	See “Risk Factors” and “Annex A—Risk Factors” and the other information included in this Offer to Purchase and Exchange for a discussion of factors you should carefully consider before deciding to participate in the Tender and Exchange Offer.
The Concurrent Offering .....	The Company will conduct the offering of New Notes (the “ <b>Concurrent Offering</b> ”) pursuant to a separate offering document, and not by this Offer to Purchase and Exchange. We intend to settle the Concurrent Offering promptly after the Early Participation Deadline. Any New Notes issued in the Concurrent Offering will constitute a single series with, be assigned the same CUSIP and ISIN numbers, and have the same terms and conditions as, the New Notes issued in the Exchange Offer. The New Notes issued in the Concurrent Offering are expected to be fungible for U.S. federal income tax purposes with the New Notes issued in the Exchange Offer. See “Annex A—Description of the New Notes” and “Concurrent Offering.”

## SUMMARY DESCRIPTION OF THE NEW NOTES

The New Notes will be governed by the New Indenture. The following is a summary of certain terms of the New Indenture and the New Notes and is qualified in its entirety by the more detailed information contained in “Annex A—Description of the Notes.” Certain descriptions in this Offer to Purchase and Exchange of provisions of the New Indenture are summaries of such provisions and are qualified herein by reference to the New Indenture. A holder who wishes to participate in the Exchange Offer must do so prior to the Expiration Deadline to be entitled to receive New Notes.

<b>Issuer</b> .....	Mastellone Hermanos S.A.
<b>Subsidiary Guarantors</b> .....	Compañía Puntana de Carnes Elaboradas S.A., Con-Ser S.A., Leitesol Industria e Comercio S.A., Mastellone San Luis S.A. and Promas S.A.
<b>Title</b> .....	Series F Notes due 2021 with a coupon of not less than 12%. The interest rate for the New Notes will be determined on the Coupon Determination Date.
<b>Payment of Principal</b> .....	The principal amount of the New Notes will be paid on or about June 26, 2021.
<b>Payment of Interest</b> .....	Interest will accrue on the New Notes at the rate of at least 12% per annum, payable in arrears on or about June 26 and December 26 of each year, commencing on or about December 26, 2014. Interest on the New Notes will be calculated on the basis of a 360 day year of twelve 30 day months and, in the case of an incomplete month, the number of days elapsed but not more than 30 days in a month.
<b>Subsidiary Guarantees</b> .....	Our Subsidiary Guarantors will jointly and severally guarantee our New Notes under subsidiary guarantees. The subsidiary guarantees will constitute direct, unsecured and unsubordinated obligations of each Subsidiary Guarantor, and will rank at all times <i>pari passu</i> in right of payment to all other existing and future unsecured and unsubordinated obligations of the Subsidiary Guarantor, except for obligations that have priority of payment by law.
<b>Currency</b> .....	U.S. dollars.
<b>Status and Ranking</b> .....	Our New Notes will be our senior unsecured obligations, and, in any bankruptcy or insolvency proceeding under Argentine law, the indebtedness evidenced by our New Notes will rank <i>pari passu</i> in right of payment with all of our existing and future unsubordinated obligations (other than obligations preferred by statute or operation of law) and senior in right of payment to all of our existing and future obligations that are expressly subordinated in right of payment to our New Notes.  Each subsidiary guarantee of our Subsidiary Guarantors will constitute a direct, unconditional, unsecured and unsubordinated obligation of each of the Subsidiary Guarantors and will rank at all times at least <i>pari passu</i> in right of payment with all the other existing and future unsecured and unsubordinated obligations of each of the Subsidiary Guarantors (other than obligations preferred by statute or by operation of law).

See “Annex A—Description of the Notes—Ranking.”

Our New Notes will constitute “*obligaciones negociables simples no convertibles en acciones*” under, and will be issued pursuant to and in compliance with all the requirements of, the Argentine Negotiable Obligations Law and other Argentine regulations.

<b>Additional Amounts</b> .....	All the payments made by us or any Subsidiary Guarantor under or with respect to the New Notes will be made free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges or penalties or interest related thereto of whatever nature, imposed, levied, collected, withheld or assessed by or within Argentina or any political subdivision or authority therein or thereof having power to tax or any other jurisdiction from through which we or any Subsidiary Guarantor makes any payments with respect to the New Notes, unless we are required to withhold or deduct taxes by law or by the official interpretation or application thereof. In the event such withholding or deduction would apply, we or any Subsidiary Guarantor will be obligated, subject to certain conditions, to pay additional amounts as may be necessary to ensure that the net amounts received by the holders after such withholding or deduction shall equal the amounts that would have been received in respect of the New Notes in the absence of such withholding or deduction. See “Annex A—Description of the Notes—Additional Amounts.”
<b>Optional Redemption</b> .....	We may redeem the New Notes, at our option, in whole but not in part, at any time prior to the fourth anniversary of the initial issue date at a redemption price based on a “make whole” premium, plus accrued and unpaid interest. See “Annex A—Description of the Notes—Optional Redemption—Optional Make-Whole Redemption.” We may also redeem the New Notes, in whole or in part, at any time on or after the fourth anniversary of the initial issue date, at the prices set forth elsewhere in Annex A. See “Annex A—Description of the Notes—Optional Redemption—Optional Redemption.”
<b>Optional Redemption for Tax Reasons</b> .....	In the event of certain changes in the tax laws of Argentina or any political subdivision or authority thereof or therein having authority to tax or any jurisdiction from or through which we or any Subsidiary Guarantor makes payments with respect to the New Notes, we may redeem the New Notes, in whole but not in part, at a price equal to 100% of the outstanding principal amount plus accrued and unpaid interest thereon and any additional amounts. See “Annex A—Description of the Notes—Optional Redemption—Optional Redemption for Tax Reasons.”
<b>Purchases of Notes</b> .....	We and our subsidiaries may at any time, or from time to time, subject to the terms and conditions of the New Notes, purchase New Notes through market purchases, by tender or by private agreement. See “Annex A—Description of the Notes—Purchases of Notes.”
<b>Certain Covenants</b> .....	We will issue our New Notes under the New Indenture. The

New Indenture will, among other things, require us to provide certain reports to holders and limit our ability and the ability of our restricted subsidiaries to:

- borrow money;
- pay dividends on stock, redeem stock or redeem subordinated debt;
- make investments;
- issue or sell capital stock of subsidiaries;
- guarantee other indebtedness;
- enter into agreements that restrict dividends or other distributions from restricted subsidiaries;
- enter into transactions with unrestricted subsidiaries and affiliates;
- create or assume liens;
- engage in mergers or consolidations or sales of all or substantially all of our assets; and
- sell assets.

These covenants are subject to a number of important qualifications and exceptions. In addition, if the New Notes obtain investment grade ratings by at least two rating agencies and no default or event of default has occurred and is continuing, certain of the foregoing covenants will cease to be in effect for so long as the New Notes maintain such ratings. See “Annex A—Description of the Notes—Certain Covenants” and “Description of the Notes—Suspension of Covenants.”

<b>Change of Control</b> .....	Upon a change of control, holders of our New Notes will have the right to require us to offer to purchase our New Notes at a price equal to 101% of the aggregate principal amount of our New Notes, plus accrued and unpaid interest thereon (and additional amounts) through the purchase date. See “Annex A—Description of the Notes—Certain Covenants—Purchase of Notes Upon a Change of Control.”
<b>Events of Default</b> .....	For a discussion of events that will permit acceleration of the payment of the principal of and accrued interest on our New Notes, see “Annex A—Description of the Notes—Events of Default.”
<b>Book Entry; Form and Denomination</b> .....	<p>The New Notes will be issued in the form of one or more global New Notes without coupons, registered in the name of a nominee of DTC, as depositary, for the accounts of its direct and indirect participants, including Euroclear and Clearstream, Luxembourg. See “Annex A—Book-entry; Delivery and Form.”</p> <p>Our New Notes will be issued in denominations of US\$1.00 and multiples thereof.</p>
<b>Additional Notes</b> .....	We may from time to time, subject to compliance with the covenant limiting incurring additional indebtedness, create and issue additional New Notes having the same terms and conditions (other than issue date, the issue price, and if applicable, the first interest payment date) as the New Notes. The additional New Notes may be consolidated, with and form a single series with the New Notes; <i>provided, however</i> , that such additional New Notes shall be issued with the same CUSIP and



ISIN only if, for U.S. federal income tax purposes, such additional New Notes are part of the same “issue” or such additional New Notes are fungible with the New Notes for U.S. federal income tax purposes. Holders of additional New Notes will have the right to vote together with holders of New Notes issued on the original issue date as one class. See “Annex A—Description of the Notes—Additional Notes.”

<b>Listing</b> .....	We intend to apply to list the New Notes on the Official List of the Luxembourg Stock Exchange and to admit the New Notes for trading on the Euro MTF Market of the Luxembourg Stock Exchange. We intend to apply to have the New Notes listed on the BASE. We expect the New Notes to be eligible for trading on the MAE.
<b>Governing Law</b> .....	Each of the New Indenture, our New Notes and the Subsidiary Guarantees will be governed by the laws of the State of New York. Notwithstanding the foregoing, all matters related to the authorization, execution and delivery of our New Notes, the approval thereof by the CNV and certain matters related to meetings of holders of New Notes, are governed by Argentine law.
<b>Trustee, Co-Registrar and Principal Paying Agent</b> .....	U.S. Bank National Association.
<b>Trustee’s Representative in Argentina, Registrar and Paying Agent</b> .....	Banco Santander Río S.A.
<b>Luxembourg Paying and Transfer Agent</b> .....	Société Générale Securities Services.
<b>Transfer Restrictions</b> .....	Our New Notes will be subject to restrictions on transferability and resale. See “Annex A—Transfer Restrictions.”

## RISK FACTORS

*You should carefully consider the specific factors listed below and the other information included in this Offer to Purchase and Exchange, including the Risk Factors in Annex A hereto before making an investment decision. Any of the following risks, if they actually occur, could materially and adversely affect our business, results of operations, prospects and financial condition. In that event, the market price of the Existing Debt or New Notes could decline, and you could lose all or part of your investment.*

### **Risks Related to the Tender and Exchange Offer**

***Upon consummation of the Tender and Exchange Offer, liquidity of the market for outstanding Existing Notes may be substantially reduced, and market prices for outstanding Existing Notes may decline as a result.***

To the extent the Tender and Exchange Offer is consummated, the aggregate principal amount of outstanding Existing Notes will be reduced and such reduction could be substantial. A reduction in the amount of outstanding Existing Notes would likely adversely affect the liquidity of the non-tendered or not accepted Existing Notes. An issue of securities with a small outstanding principal amount available for trading, or float, generally commands a lower price than does a comparable issue of securities with a greater float. Therefore, the market price of Existing Notes that are not tendered or not accepted may be adversely affected. A reduced float may also make the trading prices of Existing Notes that are not tendered or exchanged more volatile.

***In the event any Existing Debt remains outstanding after the consummation of the Tender and Exchange Offer, we will continue to be subject to the Existing Indentures and Loan Agreement, including all the covenants, events of default and collateral provided for therein.***

Since the Tender and Exchange Offer does not provide for a consent solicitation pursuant to which the Existing Indentures or Loan Agreement could be amended, the Existing Indentures and Loan Agreement will remain unchanged even if the Tender and Exchange Offer is consummated. Therefore, in the event that any Existing Debt remains outstanding after the consummation of the Tender and Exchange Offer, we will continue to be subject to the Existing Indentures and/or the Loan Agreement, including all the covenants, events of default and collateral provided for therein. For example, the May 2010 Indenture and the Loan Agreement require us to make certain payments with excess cash to holders of Existing Debt and provide for collateral securing the Existing Debt. In addition, the Existing Indentures and the Loan Agreement provide for covenants and events of default that significantly restrict our operations and the operations of our subsidiaries, including our ability to incur debt, create liens, sell assets or make capital expenditures. Such limitations could materially and adversely affect our business, results of operations, prospects and financial condition.

***We expressly reserve the right, in our sole and absolute discretion, to purchase any Existing Debt that remains outstanding after the Expiration Deadline.***

We expressly reserve the right, in our sole and absolute discretion, from time to time to purchase any Existing Debt that remains outstanding after the Expiration Deadline through open market or privately negotiated transactions, one or more additional tender or exchange offers or otherwise, on terms that may differ from the Early Participation Consideration, the Tender Consideration or the Exchange Consideration, and could be for cash or other consideration, or to exercise any of our rights under the Existing Indentures or Loan Agreement, including our right under the May 2010 Indenture to redeem the Existing Notes, in whole or in part, at any time or from time to time, at a price of 100% of the principal amount thereof plus accrued and unpaid interest. The effect of any of these actions may directly or indirectly affect the price of any Existing Notes that remain outstanding after the consummation of the Tender and Exchange Offer.

***Holders of Existing Debt may not withdraw their tendered Existing Debt on or after the Withdrawal Deadline except as required by applicable law.***

On or following the Withdrawal Deadline, withdrawal rights will only be provided as required by applicable law. As a result, there may be an unusually long period of time during which participating holders may be unable to effect transfers or sales of their Existing Debt.

***The Tender and Exchange Offer may be cancelled, delayed or amended.***

We have the right to terminate or withdraw at our sole and absolute discretion the Tender and Exchange Offer if any of the Special Conditions is not satisfied by the Early Participation Deadline or any of the General Conditions is not satisfied prior to the Expiration Deadline. Even if the Tender and Exchange Offer is consummated, it may not be consummated on the schedule described in this Offer to Purchase and Exchange. Accordingly, holders participating in the Tender and Exchange Offer may have to wait longer than expected to receive their New Notes (or to have their Existing Notes returned to them in the event we terminate the Tender and Exchange Offer), during which time such holders will not be able to effect transfers or sales of their Existing Notes (except in the limited circumstances described herein). In addition, subject to certain limits, we have the right to amend the terms of the Tender and Exchange Offer prior to the Expiration Deadline.

***If you decide to participate in the Exchange Offer prior to the Early Participation Deadline, you will be making your tender decision before the issue price of the New Notes in the Concurrent Offering has been announced and, as a result, you will not be aware of an important factor affecting the economic value of the Exchange Consideration to be received pursuant to the Exchange Offer and you will forgo any opportunity you may otherwise have had to react to any new information during the remaining period prior to the Expiration Deadline.***

We will announce the issue price of the New Notes issued in the Concurrent Offering on or about the pricing date thereof. The issue price of the New Notes issued in the Concurrent Offering may affect the market value of the New Notes issued in the Exchange Offer following the Early Settlement Date. Accordingly, you will not be aware of an important factor affecting the economic value of the Exchange Consideration to be received pursuant to the Exchange Offer prior to the time that you make your decision of whether to participate in the Exchange Offer if you decide to tender your Listed Notes prior to the Early Participation Deadline. Holders of Listed Notes should carefully examine the description of the consideration to be received pursuant to the Exchange Offer before deciding whether to participate therein. In addition, we will make payment for any Listed Notes tendered prior to the Early Participation Deadline on the Early Settlement Date, which occurs prior to the Expiration Deadline. If you decided to participate in the Exchange Offer prior to the Early Participation Deadline, you will forgo any opportunity you may otherwise have had to react to any new information that might become known during the remaining period prior to the Expiration Deadline.

***If we are not able to satisfy the Special Conditions, we will not be obligated to consummate the Tender and Exchange Offer; in addition, we may waive the Minimum Principal Amount Condition, which could adversely affect the liquidity of the New Notes being issued.***

We are, pursuant to a separate offering document, launching the Concurrent Offering. If we are not able to issue at least U.S.\$200 million aggregate principal amount of New Notes on the Early Settlement Date in the Exchange Offer and Concurrent Offering taken together in satisfaction of the Minimum Principal Amount Condition, we may, in our sole and absolute discretion, decide to terminate the Tender and Exchange Offer, whether or not we have previously accepted tenders. However, we may waive the Minimum Principal Amount Condition, which could result in the New Notes being issued in an aggregate principal amount of less than U.S.\$200 million, which could adversely affect the liquidity of the New Notes.

In addition, if we do not receive net cash proceeds from the issuance and settlement of New Notes pursuant to the Concurrent Offering in an aggregate principal amount of not less than the sum of (i) the aggregate dollar amount corresponding to the Tender Consideration plus the Early Tender Consideration, (ii) the cash payment due to holders of Listed Notes who tender for exchange prior to the Early Participation Deadline, and (iii) cancel any Existing Debt that is not purchased or tendered pursuant to the Tender and Exchange Offer then we will not be able to consummate the Tender and Exchange Offer.

***The consideration for the Tender and Exchange Offer does not reflect any independent valuation of the Existing Debt or the New Notes.***

We have not obtained or requested a fairness opinion from any financial advisor as to the fairness of the consideration received by holders of Existing Debt in the Tender and Exchange Offer or the relative value of Existing Debt or the New Notes. If you tender your Existing Debt, you may or may not receive more or as much

value as you would if you choose to keep them, and there may be a reduction in the aggregate principal amount of debt owed to you.

***Our New Notes may be issued with original issue discount for U.S. federal income tax purposes.***

The New Notes may be issued with original issue discount (“OID”) for U.S. federal income tax purposes if the stated principal amount of the New Notes exceeds their issue price by an amount equal to or more than a statutorily defined de minimis amount (generally, one-quarter of 1% multiplied by the stated principal amount and the number of complete years to maturity from the issue date). A U.S. Holder of a New Note issued with OID must include the OID in income as foreign-source ordinary income for U.S. federal income tax purposes as it accrues under a constant yield method in advance of receipt of the cash payments attributable to such income, regardless of such U.S. Holder’s regular method of tax accounting. See “Taxation—Certain U.S. Federal Income Tax Considerations.”

## **USE OF PROCEEDS**

We will not receive any cash proceeds in the Tender and Exchange Offer. We will apply a portion of the net proceeds from the Concurrent Offering to fund the cash payments under this Tender and Exchange Offer, and to pay fees and expenses relating to the Concurrent Offering and this Tender and Exchange Offer and to redeem or cancel any Existing Debt that is not purchased or tendered pursuant to the Tender and Exchange Offer.

## GENERAL TERMS OF THE TENDER AND EXCHANGE OFFER

### Terms of the Tender and Exchange Offer

Upon the terms and subject to the conditions set forth in the Offering Documents, we are offering to (i) purchase all of the properly tendered (and not validly withdrawn) and accepted outstanding principal amount of the Existing Debt, or (ii) exchange all of the properly tendered (and not validly withdrawn) and accepted outstanding principal amount of the Listed Notes, in each case for the consideration set out below.

The Tender Offer: In exchange for each U.S.\$1,000 principal amount of Existing Debt properly tendered (and not validly withdrawn) by 5:00 PM New York City time, on June 18, 2014 (such time and date, as they may be extended, the “**Early Participation Deadline**”) and accepted pursuant to the Tender Offer, participating holders will receive a cash payment equal to:

- in the case of Listed Notes, the sum of U.S.\$950 (the “**Tender Consideration**”) and U.S.\$50 (the “**Early Tender Consideration**”),
- in the case of Series B Notes and Fixed Rate Loan Debt, the sum of a Tender Consideration of U.S.\$950 and an Early Tender Consideration of U.S.\$50, and
- in the case of Series D Notes and Floating Rate Loan Debt, the sum of a Tender Consideration of U.S.\$950 and an Early Tender Consideration of U.S.\$50.

Holders of Existing Debt who tender their Existing Debt after the Early Participation Deadline, but prior to 5:00 PM, New York City time, on July 1, 2014 (such time and date, as they may be extended, the “**Expiration Deadline**”), will only receive the applicable Tender Consideration set forth above.

The Exchange Offer: In exchange for each U.S.\$1,000 principal amount of Listed Notes properly tendered (and not validly withdrawn) by the Early Participation Deadline and accepted for exchange pursuant to the Exchange Offer, participating holders of Listed Notes will receive U.S.\$950 principal amount of New Notes (the “**Exchange Consideration**”) plus U.S.\$50 principal amount of New Notes (the “**Early Exchange Consideration**”) and, together with the Early Tender Consideration, the “**Early Participation Consideration**”).

Holders of Listed Notes who tender their Listed Notes for exchange after the Early Participation Deadline, but prior to the Expiration Deadline, will only receive the Exchange Consideration.

Subject to the Special Conditions, there is no minimum or maximum amount of outstanding Existing Debt that may be purchased or exchanged by us pursuant to the Tender and Exchange Offer.

Holders may tender Existing Notes only in authorized denominations, which are a minimum denomination of U.S.\$1.00 and integral multiples of U.S.\$1.00 in excess thereof in the case of all Existing Notes. The New Notes will be issued in minimum denominations of U.S.\$1.00 and integral multiples of U.S.\$1.00 in excess thereof.

The Company is also offering New Notes pursuant to the Concurrent Offering. Any New Notes issued in the Concurrent Offering will constitute a single series with, be assigned the same CUSIP and ISIN numbers as, and have the same terms and conditions as, the New Notes issued in the Exchange Offer. The New Notes issued in the Concurrent Offering are expected to be fungible for U.S. federal income tax purposes with the New Notes issued in the Exchange Offer.

Holders of Existing Debt properly tendered in the Tender and Exchange Offer (and not validly withdrawn) and accepted for purchase or exchange, as applicable, pursuant to the Tender and Exchange Offer will be entitled to receive in cash accrued and unpaid interest on their tendered Existing Debt up to, but excluding, the Early Settlement Date or the Final Settlement Date, as the case may be, in addition to the consideration that such holder would receive in the Tender and Exchange Offer. Notwithstanding the foregoing, holders of Listed Notes who exchange Listed Notes after the Early Participation Deadline, but prior to the Expiration Deadline, will be entitled to receive accrued and unpaid interest in cash on such Listed Notes up to, but excluding, the Final Settlement Date less

interest accrued on the New Notes from the Early Settlement Date to, but excluding, the Final Settlement Date. See also “Acceptance of Existing Debt; Accrued Interest.”

We understand that the payment of the Tender Consideration and the Early Participation Consideration to holders of Existing Debt is not subject to withholding or deduction by us for any Argentine taxes. In the event that we are required by law to deduct or withhold a portion of the Tender Consideration or the Early Participation Consideration payable pursuant to the Tender and Exchange Offer to holders of the Existing Debt, we agree to (i) pay such additional amounts as may be necessary to ensure that the amounts received by any such holder of Existing Debt after such withholding or deduction (including any withholding or deduction with respect to such additional amounts) shall equal the amount that such holder of Existing Debt would have received in the absence of such withholding or deduction and (ii) indemnify and hold harmless (on a grossed-up basis) such holder of Existing Debt from any loss that may effect such holder of Existing Debt including any payment which such holder of Existing Debt may have been obliged to make, in direct connection with any determination by Argentine tax authorities that a withholding tax or deduction was applicable; provided that our obligation to pay any additional amounts pursuant to this paragraph will be subject to the same exceptions and limitations that apply to our obligation to pay additional amounts with respect to payments under the Existing Debt, as set forth in the Existing Indentures and Loan Agreement.

Under no circumstances will any special interest be payable by the Company or the Information, Tender and Exchange Agent regardless of any delay in the transmission of funds to you with respect to tendered Existing Debt or otherwise.

**HOLDERS MAY WITHDRAW TENDERED EXISTING DEBT AT ANY TIME PRIOR TO 5:00 PM, NEW YORK CITY TIME, ON JUNE 18, 2014 (SUCH TIME AND DATE, AS THEY MAY BE EXTENDED, THE “WITHDRAWAL DEADLINE”), BUT HOLDERS MAY NOT WITHDRAW THEIR TENDERED EXISTING DEBT ON OR AFTER THE WITHDRAWAL DEADLINE EXCEPT AS REQUIRED BY APPLICABLE LAW. SEE “RISK FACTORS—HOLDERS OF EXISTING DEBT MAY NOT WITHDRAW THEIR TENDERED EXISTING DEBT, ON OR AFTER THE WITHDRAWAL DEADLINE EXCEPT AS REQUIRED BY APPLICABLE LAW.”**

**Holders of Existing Debt who wish to participate in the Tender and Exchange Offer and receive the Early Participation Consideration must tender prior to the Early Participation Deadline. Holders of Existing Debt who participate in the Tender Offer after the Early Participation Deadline but prior to the Expiration Deadline will only receive the Tender Consideration. Holders of Listed Notes who participate in the Exchange Offer after the Early Participation Deadline but prior to the Expiration Deadline will only receive the Exchange Consideration.**

Our obligation to accept Existing Debt that is tendered is subject to the Special Conditions and the General Conditions described under “Conditions of the Tender and Exchange Offer.”

The purpose of the Tender and Exchange Offer is to extend the maturity profile of the Existing Debt and to adjust its terms and conditions to current market practices.

#### **Coupon Determination**

The New Notes will have a coupon of not less than 12%. On the Coupon Determination Date, we will determine and announce the interest rate on the New Notes.

#### **Extension, Termination or Amendment**

To the extent it is legally permitted to do so, we expressly reserve the absolute right to (i) waive any General Condition or the Minimum Principal Amount Condition, (ii) amend any of the terms of the Tender and Exchange Offer and (iii) modify the Early Participation Consideration, the Tender Consideration and the Exchange Consideration. Any amendment to the Tender and Exchange Offer will apply to all Existing Debt tendered, regardless of when or in what order such Existing Debt was tendered. If we make a material change in the terms of the Tender and Exchange Offer, we will disseminate additional offer materials or, if appropriate, we will issue a press release setting forth such changes to news media in accordance with applicable law and make an

announcement in the BCBA Daily Bulletin and the CNV's website (<http://www.cnv.gob.ar>), and we will extend the Tender and Exchange Offer, in each case, to the extent required by law. We have the right, in our sole and absolute discretion, to extend the Expiration Deadline by giving oral or written notice of such extension to the Information, Tender and Exchange Agent by issuing a press release to the extent required by law, which press release will be published in the BCBA Daily Bulletin and on the CNV's web page (<http://www.cnv.gob.ar>). During any extension of the Tender and Exchange Offer, all Existing Debt previously tendered and not validly withdrawn will remain subject to such Tender and Exchange Offer and may, subject to the terms and conditions of such Tender and Exchange Offer, be accepted for purchase or exchange by us except when such acceptance is prohibited by law. See also “—Announcements.”

Additionally, we expressly reserve the right, in our sole and absolute discretion, to terminate the Tender and Exchange Offer at any time if the Special Conditions or the General Conditions are not met prior to the Early Participation Deadline or the Expiration Deadline, as applicable. In the event that the Tender and Exchange Offer is terminated, withdrawn or otherwise not consummated prior to the Early Participation Deadline or the Expiration Deadline, as applicable, no consideration will be paid or become payable and no New Notes will be issued or become issuable to holders who have validly tendered their Existing Debt pursuant to the Tender and Exchange Offer. In any such event, the Existing Notes previously tendered pursuant to the Tender and Exchange Offer will be promptly returned to the tendering holders.

There can be no assurance that we will exercise our right to extend, terminate or amend the Tender and Exchange Offer.

#### **Announcements**

Any extension, termination or amendment of the Tender and Exchange Offer will be followed as promptly as practicable by notice thereof, such notice in the case of an extension or amendment to be issued no later than 9:00 AM, New York City time, on the Business Day (as defined below) following the previously scheduled Early Participation Deadline or the Expiration Deadline, as applicable.

The Company will provide, as promptly as practicable, written notice of any event or circumstance that would give participating holders a right to withdraw from the Tender and Exchange Offer any Existing Debt that has been tendered. Any such notice shall contain such information in respect of such event or circumstance that, in the Company's reasonable determination, is sufficient to permit a participating holder to make an informed decision as to whether to exercise the applicable withdrawal right. If required, and in accordance with applicable law, in the event that any such notice is received by a participating holder on a date that is less than five Business Days prior to the Early Participation Deadline or the Expiration Deadline, as applicable, the Company shall extend the Early Participation Deadline or the Expiration Deadline, as applicable, to a date that is no less than the fifth Business Day following such notice.

“**Business Day**” means any day other than a Saturday, a Sunday or a legal holiday or a day on which banking institutions or trust companies are authorized or obligated by law to close in New York City or Buenos Aires.

We will make (or cause to be made) all of the foregoing announcements by press release issued to news media in accordance with applicable law and by an announcement on the CNV's web page (<http://www.cnv.gob.ar>) and by press released to be published in the BCBA Daily Bulletin. See also “—Extension, Termination or Amendment” above.



## **ACCEPTANCE OF EXISTING DEBT; ACCRUED INTEREST**

### **Acceptance of Existing Debt**

We expressly reserve the right, in our sole and absolute discretion, to extend the Early Participation Deadline or the Expiration Deadline or to terminate the Tender and Exchange Offer and not accept for purchase or exchange any Existing Debt not previously accepted, (1) if any of the Special Conditions or General Conditions shall not have been satisfied, or in the case of the General Conditions and the Minimum Principal Amount Condition validly waived by us, or (2) in order to comply in whole or in part with any applicable law.

For purposes of the Tender and Exchange Offer, we will have accepted for purchase or exchange, as the case may be, validly tendered (and not validly withdrawn) Existing Debt, if, as and when we give oral or written notice to the Information, Tender and Exchange Agent of our acceptance thereof. In all cases, purchase or exchanges, as the case may be, of Existing Debt pursuant to the Tender and Exchange Offer will be made by the deposit of any consideration with the relevant Clearing System, which will act as your agent for the purposes of receiving the Early Participation Consideration, Exchange Consideration and/or Tender Consideration from us, and transmitting any interest and delivering the New Notes to you.

We will instruct the relevant Clearing Systems to promptly release to holders any Existing Debt not accepted for purchase or exchange for any reason without expense to such holders of Existing Debt.

### ***Acceptance of Existing Notes***

If each of the Special Conditions and General Conditions is satisfied, or in the case of the General Conditions and the Minimum Principal Amount Condition validly waived by us, we will purchase or exchange Existing Notes at the Early Settlement Date or the Final Settlement Date, as applicable, after we receive the Agent's Messages (as defined herein) with respect to all of the Existing Notes properly tendered via DTC (and not validly withdrawn), or analogous SWIFT messages confirming blocking and Tender or Exchange of Existing Notes via Euroclear or Clearstream, by notifying the Information, Tender and Exchange Agent of our acceptance, subject to the terms and conditions set forth in the Offering Documents.

In all cases, the consideration for Existing Notes purchased or exchanged pursuant to the Tender and Exchange Offer will be made only after timely receipt by the Information, Tender and Exchange Agent of Agent's Messages transmitted via DTC's ATOP system, or analogous SWIFT messages received from Euroclear or Clearstream Banking Luxembourg. We will pay or cause to be paid all transfer taxes with respect to the exchange of any Existing Notes.

### ***Acceptance of Existing Loan Debt***

If each of the Special Conditions and General Conditions is satisfied, or in the case of the General Conditions and the Minimum Principal Amount Condition validly waived by us, we will purchase at the Early Settlement Date or the Final Settlement Date, as applicable, after we receive validly completed and duly executed Notices to Tender Existing Loan Debt, and confirmations of receipt by Banco Rio, S.A. of the Existing Loan Debt and related notices and after we notify Banco Rio, S.A. and the Information, Tender and Exchange Agent of our acceptance, in each case subject to the terms and conditions set forth in this Offer to Purchase and Exchange.

### **Accrued and Unpaid Interest**

Holders of Existing Debt properly tendered in the Tender and Exchange Offer (and not validly withdrawn) and accepted pursuant to the Tender and Exchange Offer will be entitled to receive in cash accrued and unpaid interest on their tendered Existing Debt up to, but excluding, the Early Settlement Date or the Final Settlement Date, as the case may be, in addition to the consideration that such holder would receive in the Tender and Exchange Offer. Notwithstanding the foregoing, holders of Listed Notes who exchange Listed Notes after the Early Participation Deadline, but prior to the Expiration Deadline, will be entitled to receive accrued and unpaid interest in cash on such Listed Notes up to, but excluding, the Final Settlement Date less interest accrued on the New Notes from the Early Settlement Date to, but excluding, the Final Settlement Date.

Any such accrued and unpaid interest, if any, which shall be aggregated for a holder based on all Existing Debt tendered by such holder and accepted, will be paid in cash.

Under no circumstances will any special interest be payable by the Company or the Information, Tender and Exchange Agent because of any delay in the transmission of funds to any holder of Listed Notes with respect to the New Notes to be received in exchange for the Listed Notes, the payment of the Exchange Consideration or otherwise.

## PROCEDURE FOR TENDERING EXISTING DEBT

### Procedure for Tendering Existing Notes

#### *General*

In order to participate in the Tender and Exchange Offer, you must validly tender your Existing Notes through the custodian bank or broker holding your Existing Notes. It is your responsibility to properly tender your Existing Notes. We have the right to waive any defects. However, we are not required to waive defects and are not required to notify you of defects in your tender or delivery. We have the right, which may be waived by us, to reject the defective Tender or Exchange of Existing Notes as invalid and ineffective.

If you have any questions or need help in tendering your Existing Notes, please contact the Information, Tender and Exchange Agent whose address and telephone number is listed on the back cover of this Offer to Purchase and Exchange.

#### *Valid Tender or Exchange of Existing Notes*

Existing Notes for which confirmations of tender are received by the Information, Tender and Exchange Agent via the relevant Clearing System after the Expiration Deadline will not constitute a valid Tender or Exchange of Existing Notes and will be rejected as an invalid and ineffective tender.

#### *Representations, Warranties and Undertakings of Holders of Existing Notes*

Each holder tendering or exchanging the Existing Notes, as applicable, pursuant to the Tender and Exchange Offer will be deemed to have represented and agreed as follows:

- (1) it has received a copy of the Offering Documents and acknowledges that it has had access to such financial and other information or relevant matter to its decision to sell or exchange the Existing Notes and has been afforded an opportunity to ask such questions of our representative and receive answers thereto as it has deemed necessary in connection with its decision to tender the Existing Notes;
- (2) none of us, the Information, Tender and Exchange Agent, the Dealer Managers or any person acting on behalf of any of the foregoing, has made any statement, representation or warranty, express or implied, to it with respect to us or the Tender and Exchange Offer, other than any such included in the Offering Documents;
- (3) it is the holder of, beneficial owner of, or a duly authorized representative of one or more beneficial owners of, the Existing Notes tendered thereby, and it has full power and authority to tender, sell, assign and transfer the Existing Notes tendered;
- (4) the Existing Notes being tendered thereby were owned as of the date of tender, free and clear of any liens, charges, claims, encumbrances, interests and restrictions of any kind, and we will acquire good, indefeasible and unencumbered title to those Existing Notes, free and clear of all liens, charges, claims, encumbrances, interests and restrictions of any kind, when we accept the same;
- (5) it will not sell, pledge, hypothecate or otherwise encumber or transfer any Existing Notes tendered thereby from the date of such tender, and any purported sale, pledge, hypothecation or other encumbrance or transfer will be void and of no effect;
- (6) it is, or in the event that it is acting on behalf of a beneficial owner of the Listed Notes tendered thereby, it has received a written certification from such beneficial owner (dated as of a specific date on or since the close of such beneficial owner's most recent fiscal year) to the effect that such beneficial owner is, (i) a "qualified institutional buyer", as defined in Rule 144A under the Securities Act and under applicable state securities laws, or (ii) a non-U.S. person located outside the United States in an offshore transaction in accordance with Regulation S;

- (7) it is not a person to whom it is unlawful to make an invitation under the Tender and Exchange Offer under applicable securities laws;
- (8) in evaluating the Tender and Exchange Offer and in making its decision whether to participate in the Tender and Exchange Offer and tender its Existing Notes, it has made its own independent appraisal of the matters referred to in the Offering Documents and in any related communications, and it is not relying on any statement, representation or warranty, express or implied, made to it by us, the Information, Tender and Exchange Agent, the trustee or the Dealer Managers, other than those contained in the Offering Documents, as amended or supplemented through the Expiration Deadline;
- (9) the tender of its Existing Notes shall constitute an undertaking to execute any further documents and give any further assurances that may be required in connection with any of the foregoing, in each case on and subject to the terms and conditions described or referred to in this Tender and Exchange Offer;
- (10) the tender of its Existing Notes to the Information, Tender and Exchange Agent shall, subject to a holder's ability to withdraw its tender prior to the withdrawal date, and subject to the terms and conditions of the Tender and Exchange Offer, constitute the irrevocable appointment of the Information, Tender and Exchange Agent as its attorney and agent (with full knowledge that the Information, Tender and Exchange Agent is also acting as our agent in connection with the Tender and Exchange Offer) and an irrevocable instruction to that attorney and agent to complete and execute all or any forms of transfer and other documents at the discretion of that attorney and agent in relation to the Existing Notes tendered thereby in favor of us or any other person or persons as we may direct and to deliver those forms of transfer and other documents in the attorney's and agent's discretion and the certificates and other documents of title relating to the registration of Existing Notes and to execute all other documents and to do all other acts and things as may be in the opinion of that attorney or agent necessary or expedient for the purpose of, or in connection with, the acceptance of the Tender and Exchange Offer, and to vest in us or our nominees those Existing Notes;
- (11) if the Existing Notes are assets of (i) an "employee benefit plan" as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended, or "ERISA," that is subject to Title I of ERISA; (ii) a "plan" as defined in Section 4975 of the Internal Revenue Code of 1986, as amended (the "Code") that is subject to Section 4975; (iii) a "governmental plan" as defined in Section 3(32) of ERISA or any other plan that is subject to a law substantially similar to Title I of ERISA or Section 4975 of the Code; or (iv) an entity deemed to hold plan assets of any of the foregoing, the exchange of the Existing Notes and the acquisition, holding and disposition of the New Notes will not result in a nonexempt prohibited transaction under ERISA, Section 4975 of the Code or any substantially similar applicable law;
- (12) the New Notes are being offered in transactions not involving any public offering in the United States within the meaning of the Securities Act, that the New Notes have not been registered under the Securities Act or any securities laws of any jurisdiction (other than Argentina) and that for so long as the New Notes are "restricted securities" for purposes of the Securities Act:
  - (a) it will not offer, sell, pledge or otherwise transfer the New Notes except (i) to us or any of our subsidiaries, (ii) pursuant to a registration statement that has become effective under the Securities Act, (iii) to a qualified institutional buyer in compliance with Rule 144A under the Securities Act, (iv) in an offshore transaction complying with the requirements of Rule 903 or Rule 904 of Regulation S under the Securities Act or (v) pursuant to an exemption from registration under the Securities Act (if available) and, in each case, in accordance with all applicable securities laws of the states of the United States and other jurisdictions; and
  - (b) the holder will, and each subsequent holder is required to, notify any subsequent purchaser from it of the resale restrictions set forth in (a) above;
- (13) it has such knowledge and experience in financial and business matters, that it is capable of evaluating the merits and risks of participating in the transactions contemplated by this Tender and Exchange Offer and of its prospective investing in the New Notes and that it and any accounts for which it is acting are each able to

bear the economic risks of participating in the transactions contemplated by this Tender and Exchange Offer and of its prospective investment in the New Notes and can afford complete loss of such investment;

- (14) it is not acquiring the New Notes with a view towards any distribution thereof in a transaction that would violate the Securities Act or the securities laws of any state of the United States or any other applicable jurisdiction; provided that the disposition of its property and the property of any accounts for which it is acting as fiduciary will remain at all times within its control; and
- (15) we and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations, warranties and agreements, and agree that if any of the acknowledgments, representations, warranties and agreements made herein are no longer accurate, it will promptly notify us.

Each holder exchanging the Listed Notes for the New Notes that is a “qualified institutional buyer” as that term is defined in Rule 144A under the Securities Act and under applicable state securities laws, or a non-U.S. person located outside the United States in an offshore transaction in accordance with Regulation S will also be deemed to represent, warrant and agree to the terms described under “Offer Restrictions” and “Transfer Restrictions on the New Notes.”

#### ***Tender or Exchange of Existing Notes Held Through DTC Through DTC’s ATOP System***

Custodial entities that are participants in DTC, other than DTC participants which are acting as custodians for Existing Notes held through Euroclear or Clearstream, must tender Existing Notes through DTC’s Automated Tender Offer Program, known as the “ATOP” system, the rules of which the custodial entity and the beneficial owner on whose behalf the custodial entity is acting, agree to be bound. In accordance with ATOP procedures, DTC will then verify the acceptance of the Tender and Exchange Offer and send an Agent’s Message to the Information, Tender and Exchange Agent. An “**Agent’s Message**” is a message transmitted by DTC, received by the Agent and forming part of the Book-Entry Confirmation, which states that DTC has received an express acknowledgement from the holder that it has (i) received the Offering Documents, (ii) will abide by the terms of the offer, and (iii) has made the confirmations or affirmations which are set forth in this document.

DTC participants which are acting as custodians of Existing Notes held for Euroclear and Clearstream shall not submit ATOP instructions with respect to such Existing Notes.

If a holder of Existing Notes transmits its acceptance through ATOP, delivery of an Agent’s Message must be timely received by the Information, Tender and Exchange Agent. If you desire to tender your Existing Notes by the day and time that the Early Participation Deadline or the Expiration Deadline occurs, you must allow sufficient time for completion of the ATOP procedures during the normal business hours of DTC on such date. We will have the right, which may be waived, to reject the defective Tender or Exchange of Existing Notes as invalid and ineffective.

We have not provided guaranteed delivery procedures in conjunction with the Tender and Exchange Offer or under any of the Offering Documents. Holders must timely tender their Existing Notes in accordance with the procedures set forth in the Offering Documents.

#### ***Tender or Exchange of Existing Notes Held Through Euroclear or Clearstream***

Custodial entities that are participants of Euroclear and Clearstream, and which desire to tender Existing Notes held directly or indirectly at one of such clearing systems, must instruct either Euroclear or Clearstream (as relevant) to block the Existing Notes in their account and transmit a notice of acceptance in respect of the tendered Existing Notes which must include a confirmation of blocking, a disclosure of the identity of the participant entity, and an express acknowledgement from the holder that such holder has (i) received the Offering Documents, (ii) will abide by the terms of the offer, and (iii) has made the confirmations or affirmations which are set forth in this document. Such notice of acceptance (including a confirmation of blocking) must be timely received from Euroclear or Clearstream via SWIFT, by the Information, Tender and Exchange Agent.

Beneficial owners of Existing Notes held via Euroclear or Clearstream who are not direct participants of Euroclear or Clearstream must contact their custodian to arrange for their direct participants in the relevant clearing

system through which they hold Existing Notes to submit the electronic acceptance and to give instruction to the relevant clearing system to block the relevant Existing Notes in accordance with the procedures of the relevant clearing system and the deadlines required by the relevant clearing system.

Euroclear or Clearstream may impose additional deadlines in order to properly process tender and exchange instructions. As part of tendering Existing Notes through Euroclear or Clearstream, you should be aware of and comply with any such deadlines.

### ***Effect of Tendering Existing Notes***

Subject to and effective upon the acceptance for exchange of an exchange of Existing Notes tendered thereby, by tendering your Existing Notes, you (1) irrevocably sell, assign and transfer to or upon the order of us all right, title and interest in and to all the Existing Notes tendered (subject to the right of transfer provided for herein) and (2) irrevocably appoint the Information, Tender and Exchange Agent as your true and lawful agent and attorney-in-fact (with full knowledge that the Information, Tender and Exchange Agent also acts as our agent with respect to the tendered Existing Notes with full power coupled with an interest) to:

- deliver certificates representing the Existing Notes, or transfer ownership of the Existing Notes on the account books maintained by DTC or Euroclear or Clearstream, together with all accompanying evidences of transfer and authenticity, to or upon our order;
- present the Existing Notes for transfer on the relevant security register; and
- receive all benefits or otherwise exercise all rights of beneficial ownership of the Existing Notes, all in accordance with the terms of the Tender and Exchange Offer.

### ***Determination of Validity in Respect of a Tender or Exchange of Existing Notes***

All questions as to the validity, form, eligibility (including time of receipt) and acceptance for exchange or purchase, as the case may be, of any tendered Existing Notes pursuant to any of the procedures described above, and the form and validity (including time of receipt of notices of withdrawal) of all documents will be determined by us in our sole and absolute discretion, which determination will be final and binding. We reserve the absolute right to reject any or all tenders of any Existing Notes determined by us not to be in proper form, or if the acceptance of, purchase of, or exchange of such Existing Notes may, in the opinion of our counsel, be unlawful. We also reserve the right to waive any General Condition or the Minimum Principal Amount Condition to the extent that we are legally permitted to waive.

Neither we, the Information, Tender and Exchange Agent nor any other person or entity is under any duty to give notification of any defects or irregularities in any tender or withdrawal of any Existing Notes, or will incur any liability for failure to give any such notification.

**All materials relating to the Existing Notes should be sent to the Information, Tender and Exchange Agent and not to us.**

### **Procedure for Tendering Existing Loan Debt**

#### ***General***

In order to participate in the Tender and Exchange Offer, you must validly tender your Existing Loan Debt as described herein. It is your responsibility to properly tender your Existing Loan Debt. We have the right to waive any defects. However, we are not required to waive defects and are not required to notify you of defects in your tender or delivery. We have the right, which may be waived by us, to reject the defective tender of Existing Loan Debt as invalid and ineffective.

If you have any questions or need help in tendering your Existing Loan Debt, please contact the Information, Tender and Exchange Agent whose address and telephone number is listed on the back cover of this Offer to Purchase and Exchange.

***Holders of Existing Loan Debt***

Holders of Existing Loan Debt must tender their Existing Loan Debt by (i) executing a Notice to Tender Existing Loan Debt and (ii) delivering it, along with the Existing Loan Debt, for receipt by Banco Santander Río S.A. on or prior to the Expiration Deadline (or prior to the Early Participation Deadline if the holder wishes to receive the Early Participation Consideration) and (iii) causing confirmation of receipt of such documents to be delivered by Banco Santander Río S.A. to, and received by, the Information, Tender and Exchange Agent, prior to the relevant deadline.

## WITHDRAWAL OF TENDERS

**HOLDERS MAY WITHDRAW TENDERED EXISTING DEBT AT ANY TIME PRIOR TO THE WITHDRAWAL DEADLINE, BUT HOLDERS MAY NOT WITHDRAW THEIR TENDERED EXISTING DEBT ON OR AFTER THE WITHDRAWAL DEADLINE EXCEPT AS REQUIRED BY APPLICABLE LAW.**

A participating holder may withdraw Existing Debt that it has tendered at any time prior to the Withdrawal Deadline. In addition, a participating holder may withdraw Existing Debt that it has tendered at any time (whether before, on or after the Withdrawal Deadline), solely in the events or circumstances provided for by applicable law.

A holder who validly withdraws previously tendered Existing Debt prior to the Withdrawal Deadline and does not validly re-tender Existing Debt prior to the Expiration Deadline will not receive either the Tender Consideration or the Exchange Consideration, as the case may be, nor the Early Participation Consideration.

If you have tendered Existing Debt, you may withdraw such Existing Debt by delivering a written or electronic notice of withdrawal through the relevant custodian banks and clearing systems for receipt prior to the Withdrawal Deadline, subject to the limitations described herein. If you withdraw previously tendered Existing Debt prior to the Withdrawal Deadline, you will have the right to re-tender it prior to the Early Participation Deadline or the Expiration Deadline, as the case may be in accordance with the procedures for tendering Existing Debt under “Procedure for Tendering Existing Debt.”

### *Withdrawal of Tender or Exchange Instructions for Existing Notes*

A participating holder of Listed Notes may transfer any and all of its Listed Notes tendered into the Exchange Offer to any other person or entity who executes and delivers to the Company at or prior to the time of such transfer (but in any event prior to the Early Participation Deadline or the Expiration Deadline, as applicable), an executed letter agreement by which such transferee agrees to irrevocably tender such Listed Notes to the Exchange Offer for New Notes. Upon the Company’s receipt of such executed letter agreement, the Company will take such commercially reasonable actions in order to facilitate such transfer (including permitting the withdrawal of such Listed Notes that are the subject of such transfer in order to effect such transfer) and, following such transfer, the transferring participating holder will have no further obligations or liabilities by which it originally tendered the Listed Notes that were so transferred.

If the Company shall not have paid or provided for payment to be made through the facilities of a Clearing System to a participating holder on or prior to the Early Settlement Date or Final Settlement Date, as applicable, all consideration to which such holder is entitled in the Tender and Exchange Offer (including, for greater certainty, the Early Participation Consideration, the Tender Consideration or the Exchange Consideration, as applicable, and all accrued and unpaid interest on the Existing Notes tendered by such participating holder that is payable up to, but excluding, the Early Settlement Date or Final Settlement Date, as applicable), the tender of the Existing Notes of such holders shall automatically and without further action be deemed to be withdrawn.

To be effective, a notice of request for withdrawal of a tender or exchange instruction must:

- be received by the Information, Tender and Exchange Agent through the facilities of DTC’s ATOP or via SWIFT from either Euroclear or Clearstream, in each case prior to the Withdrawal Deadline or pursuant to applicable law if such withdrawal is being effected on or after the Withdrawal Deadline;
- specify the name of the beneficial owner of the Existing Notes to be withdrawn; and
- contain the description of the Existing Notes to be withdrawn, including the name and the participant account number of the participant entity at either DTC, Euroclear or Clearstream from which the Existing Notes were tendered and the aggregate principal amount represented by such Existing Notes.

Each notice of withdrawal is effective immediately upon the delivery of an acceptance of such notice by the Information, Tender and Exchange Agent to the relevant Clearing System. A withdrawal of Existing Notes can only be accomplished in accordance with the foregoing procedures.



If the Existing Notes to be withdrawn are held through the Clearing Systems, you must contact your custodian to arrange for the withdrawal of previously tendered Existing Notes. The Clearing Systems may impose additional deadlines in order to process these withdrawal instructions prior to their receipt by the Information, Tender and Exchange Agent.

***Withdrawal of Tender or Exchange Instructions for Existing Loan Debt***

For a withdrawal of tenders of Existing Loan Debt to be effective, a written notice of withdrawal must be received by us and by the Information, Tender and Exchange Agent, from Banco Santander Río S.A. prior to the applicable deadline. Any such notice of withdrawal must (i) specify the name of the creditor, (ii) contain a description of the Existing Loan Debt to be withdrawn and the aggregate principal amount represented by such Existing Loan Debt, (iii) be signed by the creditor in the same manner as the original signature on the Notice to Tender Existing Loan Debt by which such Existing Loan Debt was tendered or be accompanied by evidence satisfactory to us that the person withdrawing the tender has succeeded to the creditor and (iv) be confirmed by Banco Santander Río S.A. Each signed notice of withdrawal will become effective immediately upon our written or facsimile confirmation of receipt to Banco Santander Río S.A., even if physical release of the Existing Loan Debt is not effected.

Any Existing Loan Debt that has been tendered pursuant to the Tender and Exchange Offer but that is not purchased or exchanged will be returned to the holder thereof without cost to such holder as soon as practicable following the earlier to occur of the Expiration Deadline or the date on which the Tender and Exchange Offer is terminated without any such Existing Loan Debt being purchased thereunder.

## CONDITIONS OF THE TENDER AND EXCHANGE OFFER

Notwithstanding any other provision of the Tender and Exchange Offer, our obligation to accept for exchange or purchase, as applicable, any of the Existing Notes validly tendered is subject to the satisfaction of the following conditions:

### Special Conditions

The “**Special Conditions**” mean that on or prior to the Early Settlement Date, the following shall occur:

- the issuance of at least U.S.\$200 million aggregate principal amount of New Notes in the Exchange Offer and in the Concurrent Offering (as described below) taken together (the “**Minimum Principal Amount Condition**”); and
- the Company having received net cash proceeds from the issuance and settlement of New Notes pursuant to the Concurrent Offering in an aggregate principal amount of not less than the sum of the aggregate dollar amount corresponding to the Tender Consideration plus the Early Tender Consideration and the amount required by the Company to redeem or cancel any Existing Debt that is not purchased or tendered pursuant to the Tender and Exchange Offer (collectively, the “**Financing Condition**”)

We may waive the Minimum Principal Amount Condition, but not the Financing Condition.

### General Conditions

The “**General Conditions**” mean that any of the following shall not occur:

- from and after the date hereof and prior to the Early Participation Deadline or the Expiration Deadline, as the case may be, there shall have been instituted, threatened or be pending any action, proceeding, application, claim, counterclaim or investigation (whether formal or informal) (or there shall have been any material adverse development to any action, application, claim, counterclaim or proceeding currently instituted, threatened or pending) before or by any court, governmental, regulatory or administrative agency or instrumentality, domestic or foreign, or by any other person, domestic or foreign, in connection with the Tender and Exchange Offer that, in our reasonable judgment (a) is, or is reasonably likely to be, materially adverse to our business, operations, properties, condition (financial or otherwise), income, assets, liabilities or prospects, (b) would or might prohibit or prevent, or significantly restrict or delay, consummation of the Tender and Exchange Offer, or (c) would require a modification to the terms of the Tender and Exchange Offer that would materially impair the contemplated benefits of the Tender and Exchange Offer to us;
- from and after the date hereof and prior to the Early Participation Deadline or the Expiration Deadline, as the case may be, an order, statute, rule, regulation, executive order, stay, decree, judgment or injunction shall have been proposed, enacted, entered, issued, promulgated, enforced or deemed applicable by any court or governmental, regulatory or administrative agency or instrumentality that, in our reasonable judgment (a) would or is reasonably likely to prohibit or prevent, or significantly restrict or delay, consummation of the Tender and Exchange Offer, (b) is, or is reasonably likely to be, materially adverse to our business, operations, properties, condition (financial or otherwise), income, assets, liabilities or prospects, or (c) would require a modification to the terms of the Tender and Exchange Offer that would materially impair the contemplated benefits of the Tender and Exchange Offer to us;
- from and after the date hereof and prior to the Early Participation Deadline or the Expiration Deadline, as the case may be, there shall have occurred or be reasonably likely to occur any event or condition affecting our or our affiliates’ business or financial affairs and our subsidiaries that, in our reasonable judgment, either (a) is, or is reasonably likely to be, materially adverse to our business, operations, properties, condition (financial or otherwise), income, assets, liabilities or prospects, or (b) would or might be reasonably expected to prohibit or prevent, or significantly restrict or delay, consummation of the Tender and Exchange Offer;

- the trustee under the Existing Indentures shall have objected in any respect to or taken action that could, in our reasonable judgment, adversely affect the consummation of the Tender and Exchange Offer in any significant manner, or shall have taken any action that challenges the validity or effectiveness of the procedures used by us in the making of any offer or the acceptance of, or exchange for, or purchase, as applicable, some or all of the Existing Notes pursuant to the Tender and Exchange Offer;
- there exists, in our reasonable judgment, any actual or threatened legal impediment, including a default under an agreement, indenture or other instrument or obligation to which we are a party or by which it is bound that would prohibit or prevent, or significantly restrict or delay, our acceptance for exchange of, or exchange of, or purchase, as applicable, all of the Existing Debt; or
- there has occurred (a) any general suspension of, or limitation on prices for, trading in securities in the United States or Argentine securities or financial markets, (b) any significant change in the price of the Existing Debt which is adverse to us or any of our affiliates, (c) any limitation (whether or not mandatory) by any government or governmental, administrative or regulatory authority or agency, domestic or foreign, or other event that, in our reasonable judgment, might affect the extension of credit by banks or other lending institutions, (d) a declaration of a banking moratorium or any suspension of payments in respect of banks in the United States, Argentina or other major financial markets, (e) a commencement of a war, armed hostilities, terrorist acts or other national or international calamity directly or indirectly involving the United States or Argentina, or (f) in the case of any of the foregoing existing on the date hereof, a material acceleration or worsening thereof.

## **General**

These conditions are for our benefit and may be asserted by us or may be waived by us (except the Financing Condition), in whole or in part at any time and from time to time, in our sole and absolute discretion. We may additionally terminate the Tender and Exchange Offer if any General Condition is not satisfied or waived on or before the Early Participation Deadline or the Expiration Deadline, as the case may be, or any Special Condition is not satisfied, or in the case of the Minimum Principal Amount Condition waived, on or prior to the Early Settlement Date. If any of these events occur, subject to the termination rights described above and the rights of participating holders of Existing Notes to withdraw, we may (i) return Existing Notes to you, (ii) extend the Tender and Exchange Offer and retain all tendered Existing Notes until the expiration of such extended Tender and Exchange Offer, or (iii) amend the Tender and Exchange Offer (subject to the limitations set forth herein) by giving oral or written notice of such amendment to the Information, Tender and Exchange Agent and making public disclosure of such amendment as provided herein. Any waiver of a General Condition or the Minimum Principal Amount Condition will apply to all Existing Debt tendered pursuant to the Tender and Exchange Offer.

We have not made a decision as to what circumstances would lead us to waive any General Condition or the Minimum Principal Amount Condition, and any such waiver would depend on circumstances prevailing at the time of such waiver.

Whether or not the Tender and Exchange Offer is consummated, we and our subsidiaries or affiliates may from time to time acquire Existing Notes other than pursuant to the Tender and Exchange Offer through open market purchases, privately negotiated transactions, tender offers, exchange offers or otherwise, upon such terms and at such prices as we may determine, which may be more or less than the consideration to be provided pursuant to the Tender and Exchange Offer and could be for cash or other consideration.

## CONCURRENT OFFERING

We will also conduct an offering of New Notes for cash at a price to be agreed between us and the initial purchasers thereof (the “**Concurrent Offering**”). The Concurrent Offering will be made pursuant to a separate offering document, and not by this Offer to Purchase and Exchange. The Concurrent Offering is expected to close promptly after the Early Participation Deadline. New Notes issued in the Concurrent Offering will constitute a single series with, be assigned the same CUSIP and ISIN numbers to, and have the same terms and conditions as the New Notes issued in the Exchange Offer. The New Notes issued in the Concurrent Offering are expected to be fungible for U.S. federal income tax purposes with the New Notes issued in the Exchange Offer. See “Annex A—Description of the New Notes.” The closing of the Concurrent Offering is one of the Special Conditions of the Tender and Exchange Offer. See “Conditions of the Tender and Exchange Offer.” We will announce the price of the New Notes issued in the Concurrent Offering on or about the pricing date thereof. The issue price of the New Notes issued in the Concurrent Offering may affect the market value of the New Notes issued in the Exchange Offer following the Early Settlement Date. See “Risk Factors.” We cannot assure you that the Concurrent Offering will be successfully consummated, or, if consummated, on what terms and at what point in time it will be consummated.

## **THE INFORMATION TENDER AND EXCHANGE AGENT AND THE DEALER MANAGERS**

Bondholder Communications Group, LLC has been appointed the Information, Tender and Exchange Agent for the Tender and Exchange Offer. All correspondence in connection with the Tender and Exchange Offer should be sent or delivered by each holder of Existing Notes, or a beneficial owner's custodian bank, depository, broker, trust company or other nominee, to the Information, Tender and Exchange Agent at the address set forth on the back cover of this Offer to Purchase and Exchange. We will pay the Information, Tender and Exchange Agent reasonable and customary fees for its services and will reimburse it for its reasonable, out-of-pocket expenses in connection with the Tender and Exchange Offer. Notices to Tender Existing Loan Debt, along with the Existing Loan Debt, should be sent or delivered by each holder of Existing Loan Debt to Banco Santander Río S.A. at the address set forth on the back cover of this Offer to Purchase and Exchange.

Merrill Lynch, Pierce, Fenner & Smith Incorporated and Deutsche Bank Securities Inc. have been engaged to act as Dealer Managers in connection with the Tender and Exchange Offer. In such capacity, the Dealer Managers may contact holders of Existing Debt regarding the Tender and Exchange Offer, subject to each holder of Existing Notes having completed an Eligibility Letter, and may request brokers, dealers, commercial banks, trust companies and other nominees to forward this Offer to Purchase and Exchange and related materials to beneficial owners of Existing Notes, subject to each such beneficial owner completing an Eligibility Letter.

We have agreed to pay the Dealer Managers a customary fee for their services as Dealer Managers in connection with the Tender and Exchange Offer. In addition, we will reimburse the Dealer Managers for certain of their reasonable out-of-pocket expenses. We have also agreed to indemnify the Dealer Managers and each of their respective officers, directors, employees, agents and affiliates against certain liabilities under U.S. federal or state law or otherwise caused by, relating to or arising out of the Tender and Exchange Offer.

The Dealer Managers are also initial purchasers for the Concurrent Offering for which they will receive customary fees. The Dealer Managers and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us. They have received and may in the future receive customary fees and commissions for these transactions. In addition, in the ordinary course of their business activities, the Dealer Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. Certain of the Dealer Managers or their affiliates that have a lending relationship with us routinely hedge their credit exposure to us consistent with their customary risk management policies. Typically, such Dealer Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the New Notes. Any such credit default swaps or short positions could adversely affect future trading prices of the New Notes. The Dealer Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

At any given time, the Dealer Managers may trade the Existing Notes or any of our other securities for their own account or for the accounts of their customers and, accordingly, may hold a long or short position in the Existing Notes or any such other securities. The Dealer Managers are not obligated to make a market for the Existing Notes. In addition, the Dealer Managers may tender Existing Debt in the Tender and Exchange Offer.

None of the Dealer Managers and the Information, Tender and Exchange Agent assumes any responsibility for the accuracy or completeness of the information concerning us or our affiliates or the Existing Debt contained or referred to in this Offer to Purchase and Exchange or for any failure by us to disclose events that may have occurred and may affect the significance or accuracy of such information.

We will pay brokerage houses and other custodians, nominees and fiduciaries the reasonable out-of-pocket expenses incurred by them in forwarding copies of the Offering Documents to the beneficial owners of Existing

Debt, and in handling or tendering for their customers. We will not make any payment to brokers, dealers or others soliciting acceptances of the Tender and Exchange Offer other than the Dealer Managers, as described above.

Any questions or requests for assistance or for additional copies of this Offer to Purchase and Exchange may be directed to the Information, Tender and Exchange Agent at one of the telephone numbers provided on the back cover of this Offer to Purchase and Exchange. Holders may also contact the Dealer Managers at the telephone numbers provided on the back cover of this Offer to Purchase and Exchange for assistance concerning the Tender and Exchange Offer.

The Tender and Exchange Offer will be made in Argentina by Merrill Lynch Argentina S.A. and Deutsche Bank S.A. using the Argentine Prospectus, as amended or supplemented from time to time, and other Argentine documents.

## **TRANSFER RESTRICTIONS ON THE NEW NOTES**

### **New Notes Are Not Being Registered**

The New Notes have not been registered under the Securities Act or any securities laws of any jurisdiction, and may not be offered or sold, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of, the Securities Act and such other securities laws. Accordingly, the New Notes are being offered hereby only to holders who have properly completed, executed and delivered to the Information, Tender and Exchange Agent a certification, whereby such holder has represented to us that it is one of the following: (i) a “qualified institutional buyer,” as that term is defined in Rule 144A under the Securities Act, or (ii) a non-U.S. person located outside the United States in an offshore transaction in accordance with Regulation S. Only holders of Existing Notes who have satisfied these requirements and holders of Existing Loan Debt are authorized to receive or review this Offer to Purchase and Exchange or to participate in the Tender and Exchange Offer.

### **Holders’ Representations and Restrictions on Resale and Transfer**

Each holder exchanging the Listed Notes for the New Notes pursuant to the Tender and Exchange Offer will be deemed to have represented and agreed as follows:

(1) it acknowledges that the New Notes have not been registered under the Securities Act or with any securities regulatory authority of any state and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;

(2) it understands and agrees that New Notes initially offered in the United States to qualified institutional buyers will be represented by a global note and that New Notes offered outside the United States pursuant to Regulation S will also be represented by a global note;

(3) it will not offer, sell, pledge or otherwise transfer the New Notes except (i) to us or any of our subsidiaries, (ii) pursuant to a registration statement that has become effective under the Securities Act, (iii) to a qualified institutional buyer in compliance with Rule 144A under the Securities Act, (iv) in an offshore transaction complying with the requirements of Rule 903 or Rule 904 of Regulation S under the Securities Act or (v) pursuant to an exemption from registration under the Securities Act (if available) and, in each case, in accordance with all applicable securities laws of the states of the United States and other jurisdictions;

(4) it agrees that it will give to each person to whom it transfers the New Notes notice of any restrictions on transfer of such New Notes;

(5) it acknowledges that prior to any proposed transfer of New Notes (other than pursuant to an effective registration statement or in respect of New Notes sold or transferred either pursuant to (a) Rule 144A or (b) Regulation S) the holder of such New Notes may be required to provide certifications relating to the manner of such transfer as provided in the New Indenture;

(6) it acknowledges that the trustee, registrar or transfer agent for the New Notes may not be required to accept for registration or transfer of any New Notes acquired by it, except upon presentation of evidence satisfactory to us that the restrictions set forth herein have been complied with; and

(7) it acknowledges that we, the dealer managers and other persons will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of the acknowledgements, representations and agreements deemed to have been made by its participation in the Tender and Exchange Offer are no longer accurate, it will promptly notify us and the dealer managers.

The following is the form of restrictive legend which will appear on the face of the Rule 144A global note and which will be used to notify transferees of the foregoing restrictions on transfer. This legend will only be removed with our consent. If we so consent, it will be deemed to be removed.

THE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY STATE OR OTHER SECURITIES

LAW, AND MAY NOT BE OFFERED, SOLD, PLEDGED, OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE HOLDER OF THIS SECURITY BY ITS ACCEPTANCE HEREOF (1) REPRESENTS THAT IT, AND ANY ACCOUNT FOR WHICH IT IS ACTING, (A) IS A “QUALIFIED INSTITUTIONAL BUYER” (WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT) OR (B) IS A NON-U.S. PERSON LOCATED OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S, WITH RESPECT TO (A) AND (B), EXERCISES SOLE INVESTMENT DISCRETION WITH RESPECT TO SUCH ACCOUNT; (2) AGREES FOR THE BENEFIT OF THE ISSUER THAT IT WILL NOT OFFER, SELL, PLEDGE OR OTHERWISE TRANSFER THIS SECURITY OR ANY BENEFICIAL INTEREST HEREIN, EXCEPT (A) (I) TO THE ISSUER OR ANY SUBSIDIARY THEREOF OR TO A DEALER OR BY, THROUGH, OR IN A TRANSACTION APPROVED BY A DEALER, (II) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BECOME EFFECTIVE UNDER THE SECURITIES ACT, (III) TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, (IV) IN AN OFFSHORE TRANSACTION COMPLYING WITH THE REQUIREMENTS OF RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, OR (V) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT (IF AVAILABLE), AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND OTHER JURISDICTIONS; AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. AS USED HEREIN, THE TERMS “OFFSHORE TRANSACTION,” “UNITED STATES” AND “U.S. PERSON” HAVE THE RESPECTIVE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT.

PRIOR TO THE REGISTRATION OF ANY TRANSFER IN ACCORDANCE WITH PARAGRAPH 2A(V) ABOVE, THE ISSUER RESERVES THE RIGHT TO REQUIRE THE DELIVERY OF SUCH LEGAL OPINIONS, CERTIFICATIONS, OR OTHER EVIDENCE AS MAY REASONABLY BE REQUIRED IN ORDER TO DETERMINE THAT THE PROPOSED TRANSFER IS BEING MADE IN COMPLIANCE WITH THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. NO REPRESENTATION IS MADE AS TO THE AVAILABILITY OF ANY EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

The following is the form of restrictive legend which will appear on the face of the Regulation S global note and which will be used to notify transferees of the foregoing restrictions on transfer:

PRIOR TO EXPIRATION OF THE 40-DAY DISTRIBUTION COMPLIANCE PERIOD (AS DEFINED IN REGULATION S (“REGULATION S”) UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”)), THIS SECURITY MAY NOT BE REOFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES (AS DEFINED IN REGULATION S) OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON (AS DEFINED IN REGULATION S), EXCEPT TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF THE INDENTURE REFERRED TO HEREIN.

#### **Limited Trading of New Notes**

The New Notes will constitute a new class of securities with no established trading market. Application will be made to list the New Notes on the Official List of the Luxembourg Stock Exchange and to admit the New Notes for trading on the Euro MTF Market of the Luxembourg Stock Exchange. We intend to apply to have the New Notes listed on the BCBA and for them to be eligible for trading on the MAE. However, we cannot assure you that the prices at which the New Notes will sell in the market after their initial offering will not be lower than the initial offering price or that an active trading market for the New Notes will develop and continue. If the New Notes are traded, they may trade at a discount from their initial offering price, depending on prevailing interest rates, the market for similar securities, our operating performance and financial condition, general economic conditions and other factors.



## TAXATION

### Certain U.S. Federal Income Tax Considerations

PURSUANT TO U.S. TREASURY DEPARTMENT CIRCULAR 230, WE HEREBY INFORM YOU THAT ANY DISCUSSION IN THIS OFFERING MEMORANDUM OF U.S. FEDERAL INCOME TAX ISSUES IS NOT INTENDED OR WRITTEN TO BE USED, AND SUCH DISCUSSION CANNOT BE USED, BY ANY HOLDER FOR THE PURPOSE OF AVOIDING ANY PENALTIES THAT MAY BE IMPOSED ON HOLDERS UNDER THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"). SUCH DISCUSSION IS INCLUDED TO SUPPORT THE PROMOTION OR MARKETING OF THE TENDER AND EXCHANGE OFFER. EACH HOLDER SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

The following discussion is a summary of certain U.S. federal income tax consequences of the Tender and Exchange Offer to U.S. Holders (as defined below) of the Existing Notes. This discussion does not address the U.S. federal income tax consequences to any U.S. Holders of the Existing Loan Debt who tender the Existing Loan Debt in the Tender and Exchange Offer. This discussion applies only to U.S. Holders that hold Existing Notes (or, if applicable, that will hold New Notes) as capital assets within the meaning of the Code, and does not address the U.S. federal income tax consequences of the ownership of the New Notes to subsequent purchasers of the New Notes. This discussion is based on the Code, U.S. Treasury regulations, administrative pronouncements by the U.S. Internal Revenue Service ("IRS") and judicial decisions, all as of the date hereof and all of which are subject to change (possibly on a retroactive basis) and to different interpretations. We have not received, nor will we receive, any rulings from the IRS with respect to the Tender and Exchange Offer. Therefore, there is no assurance that the IRS or a court would agree with the U.S. federal income tax treatment of the Tender and Exchange Offer described below.

This discussion does not purport to address all U.S. federal income tax consequences that may be relevant to a particular U.S. Holder, and U.S. Holders are urged to consult their own tax advisors regarding their specific tax situations. This discussion also does not address the U.S. federal income tax consequences that may be relevant to U.S. Holders subject to special tax rules, including, for example:

- insurance companies;
- tax-exempt organizations;
- brokers or dealers in securities or currencies;
- traders in securities that elect the mark-to-market method of accounting with respect to their securities holdings;
- banks or other financial institutions;
- regulated investment companies;
- real estate investment trusts;
- partnerships or other pass-through entities for U.S. federal income tax purposes;
- U.S. Holders whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;
- U.S. expatriates; or
- U.S. Holders that hold the Existing Notes (or will hold New Notes) as part of a hedge, straddle, conversion or other integrated transaction.

Further, this discussion does not address any U.S. federal estate tax, gift tax or alternative minimum tax considerations, the Medicare tax on net investment income, or any state, local or non-U.S. tax consequences of

acquiring, owning and disposing of the Existing Notes or New Notes.

As used herein, the term “U.S. Holder” means a beneficial owner of the Existing Notes or New Notes, as applicable, that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation, or any other entity taxable as a corporation, created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust if (i) a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all substantial decisions of the trust or (ii) the trust has an election in effect under current U.S. Treasury regulations to be treated as a U.S. person.

If a partnership (or any other entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds the Existing Notes (or will hold New Notes), the tax treatment of the partnership and a partner in such partnership generally will depend on the status of the partner and the activities of the partnership. Such partner or partnership should consult its own tax advisor as to the consequences of acquiring, owning and disposing of the Existing Notes or New Notes.

We believe that the Existing Notes and the New Notes should be treated as indebtedness for U.S. federal income tax purposes and this discussion assumes such characterization. However, the determination of whether the Existing Notes and the New Notes should be characterized as indebtedness or equity under U.S. federal income tax law depends on an analysis of the facts and circumstances relating to the Existing Notes, the New Notes, and us. If the Existing Notes and/or the New Notes were determined to represent equity interests in us for U.S. federal income tax purposes, then U.S. Holders of the Existing Notes could have U.S. federal income tax consequences that are different from those described below.

**This discussion is intended to be a general summary of certain U.S. federal income tax consequences of the Tender and Exchange Offer to U.S. Holders of Existing Notes. U.S. Holders should consult their own tax advisors regarding all of the tax consequences of the Tender and Exchange Offer to them, including the application of U.S. federal, state, local and foreign tax laws to their specific circumstances.**

#### ***Tax Consequences to U.S. Holders of Tendering Existing Notes in the Tender Offer***

##### *Sale of the Existing Notes – Series A Notes, Series B Notes and Series C Notes*

The Series A Notes, Series B Notes and Series C Notes should be treated as debt instruments subject to U.S. Treasury regulations applicable to debt instruments that provide for one or more contingent payment (the “contingent debt regulations”). If a U.S. Holder tenders Series A Notes, Series B Notes or Series C Notes solely in exchange for the Tender Consideration and any Early Tender Consideration in the Tender Offer, the U.S. Holder will recognize gain or loss equal to the difference between the cash received upon the tender of the Existing Notes (including any Additional Amounts payable on amounts attributable to accrued but unpaid interest), less any negative adjustment carry forward (which may have resulted if the actual amount of a contingent payment in a prior year was less than the projected amount of such contingent payment), and the U.S. Holder’s adjusted tax basis in the tendered notes. A U.S. Holder’s adjusted tax basis in the Series A Notes, Series B Notes or Series C Notes, as applicable, generally will equal the holder’s initial tax basis in the Series A Notes, Series B Notes or Series C Notes, as applicable, increased by any interest income previously accrued by the holder with respect to the Series A Notes, Series B Notes or Series C Notes (determined without regard to any positive or negative adjustments to such interest accruals under the contingent debt regulations), decreased by the amount of any non-contingent payments and the projected amounts of any contingent payments actually made on the Series A Notes, Series B Notes or Series C Notes, and increased or decreased by the amount of any positive or negative adjustments, respectively, that the holder was required to make as a result of having an initial tax basis in the Series A Notes, Series B Notes or Series C Notes, as applicable, that is different from the issue price or adjusted issue price of the Series A Notes, Series B Notes or

Series C Notes, as applicable, at the time the holder acquired the Series A Notes, Series B Notes or Series C Notes. Under the contingent debt regulations, any gain generally will be ordinary interest income and any loss will be ordinary loss to the extent of interest the U.S. Holder included as income in the current or previous taxable years in respect of the notes, with any excess loss being treated as capital loss. The ability of a U.S. Holder to deduct capital loss is subject to limitations under the Code.

Gain on a sale of a debt instrument ordinarily is treated as U.S. source gain with respect to a U.S. Holder. However, because any gain on the Series A Notes, Series B Notes and Series C Notes is treated as ordinary interest income under the contingent debt regulations, such gain will be treated as foreign source income for U.S. federal income tax purposes and generally will constitute “passive category” income for most U.S. Holders. Subject to generally applicable restrictions and conditions (including a minimum holding period requirement), if any gain from the sale of the Series A Notes, Series B Notes or Series C Notes is subject to foreign income tax, a U.S. Holder generally will be entitled to a foreign tax credit in respect of any such foreign income taxes. Alternatively, the U.S. Holder may deduct such taxes in computing taxable income for U.S. federal income tax purposes provided that the U.S. Holder does not elect to claim a foreign tax credit for any foreign income taxes paid or accrued for the relevant taxable year. The rules governing the foreign tax credit are complex. U.S. Holders are urged to consult their own tax advisors regarding the availability of the foreign tax credit (or the availability of deductions) under their particular circumstances.

#### *Sale of the Existing Notes – Series D Notes*

The Series D Notes contain features which could potentially cause the Series D Notes to be subject to the contingent debt regulations, in which case any gain or loss realized with respect thereto would be treated in the same manner as gain or loss realized with respect to the Series A Notes, Series B Notes or Series C Notes as discussed above under “—Sale of the Existing Notes – Series A Notes, Series B Notes and Series C Notes.” Although the matter is not free from doubt, we believe that the Series D Notes likely are not subject to the contingent debt regulations, although there can be no assurance in this regard and it is possible that the IRS may argue that the Series D Notes are subject to the contingent debt regulations. The remainder of this discussion assumes that the Series D Notes are not subject to the contingent debt regulations.

If a U.S. Holder tenders Series D Notes solely in exchange for the Tender Consideration and any Early Tender Consideration in the Tender Offer, the U.S. Holder will recognize gain or loss equal to the difference between the cash received upon the tender of the Series D Notes (other than amounts attributable to accrued but unpaid interest, including any Additional Amounts payable thereon, which will be treated as described under “—Accrued and Unpaid Interest – Series D Notes” below) and the U.S. Holder’s adjusted tax basis in the tendered Series D Notes. In general, a U.S. Holder’s adjusted tax basis in a Series D Note equals the holder’s initial tax basis of the Series D Note increased by original issue discount (“OID”) (if any) and market discount (if any) previously included in gross income by the U.S. Holder, and decreased (but not below zero) by any payments previously made on the Series D Note, other than payments of qualified stated interest (*i.e.*, stated interest that is unconditionally payable in cash at least annually at a single fixed rate or at certain qualified variable rates) and any amortizable bond premium allowable as a deduction with respect to the Series D Note. Except as discussed under “—Market Discount – Series D Notes” below, any such gain or loss generally will be capital gain or loss, and will be long-term capital gain or loss if the Series D Notes have been held for more than one year at the time of the disposition. Certain non-corporate U.S. Holders (including individuals) may be eligible for preferential rates of U.S. federal income tax in respect of long-term capital gains. The ability of a U.S. Holder to deduct capital loss is subject to limitations under the Code.

Any gain or loss realized on the sale of a Series D Note generally will be treated as U.S. source gain or loss, as the case may be. If any gain from the sale of Series D Notes is subject to foreign income tax, U.S. Holders may not be able to credit such tax against their U.S. federal income tax liability under the U.S. foreign tax credit limitations of the Code (because such gain generally would be U.S. source income) unless such income tax can be credited (subject to applicable limitations) against U.S. federal income tax due on other income that is treated as derived from foreign sources. Alternatively, the U.S. Holder may deduct such foreign income tax in computing taxable income for U.S. federal income tax purposes provided that the U.S. Holder does not elect to claim a foreign tax credit for any foreign income taxes paid or accrued for the relevant taxable year. U.S. Holders are urged to consult their own tax advisors regarding the availability of the foreign tax credit (or the availability of deductions) under their particular circumstances.

### *Accrued and Unpaid Interest – Series D Notes*

Any cash received by a U.S. Holder in the Tender Offer with respect to accrued but unpaid interest on the Series D Notes, including any Additional Amounts payable thereon, will be taxable as interest income to the extent such interest has not previously been included in such U.S. Holder's gross income.

### *Market Discount – Series D Notes*

If a U.S. Holder has accrued and unrecognized market discount on its Series D Notes (that is, a discount representing more than a *de minimis* difference between the U.S. Holder's adjusted tax basis in its Series D Notes and their stated principal amount) a portion of the gain, if any, recognized on the sale of Series D Notes, up to the amount of such accrued market discount will be treated as ordinary income and will not receive capital gain treatment, unless the U.S. Holder has elected to include market discount in gross income currently as it accrues.

Accrued market discount generally equals a ratable portion of the market discount of the Series D Notes based on the number of days the U.S. Holder has held the Series D Notes at the time of such disposition, as a percentage of the number of days from the date the U.S. Holder acquired such Series D Notes to their date of maturity. U.S. Holders who acquired their Series D Notes with an initial tax basis in such notes different than issue price or adjusted issue price of the Series D Notes, should consult their own tax advisors regarding the possible application of the market discount rules of the Code to a tender of the Series D Notes pursuant to the Tender Offer.

## ***Tax Consequences to U.S. Holders of Exchanging Series A Notes or Series C Notes for New Notes in the Exchange Offer***

### *Overview*

The exchange of an existing debt instrument for a new debt instrument is treated as an exchange for U.S. federal income tax purposes upon which gain or loss is realized if the exchange results in a "significant modification" of the terms of the existing debt instrument within the meaning of the applicable U.S. Treasury regulations (the "modification regulations"). The exchange of an existing debt instrument for a new debt instrument generally will constitute a significant modification of the terms of the existing debt instrument if, based on all of the facts and circumstances, the legal rights and obligations under the new debt instrument differ from those under the existing debt instrument to a degree that is economically significant.

Although the matter is not free from doubt, we intend to take the position, based on the expected differences between material terms in the Series A Notes and the Series C Notes and the New Notes, including amortization schedules and the anticipated yield of the New Notes, that an exchange of either Series A Notes or Series C Notes for New Notes will be economically significant and thus result in a significant modification under the modification regulations. The remainder of this discussion assumes that the exchange of Series A Notes or Series C Notes for New Notes will be treated as an exchange for U.S. federal income tax purposes. Thus, the U.S. federal income tax consequences of such an exchange will be determined under the rules applicable to either (a) a recapitalization, in which case no loss is recognized and gain, if any, is recognized only to the extent of (i) cash consideration received, if any, and (ii) securities received with a principal amount in excess of the principal amount of the securities surrendered in exchange therefore or (b) a fully taxable transaction.

The application of recapitalization treatment will depend primarily on whether the Series A Notes or Series C Notes and the New Notes are "securities" for U.S. federal income tax purposes. Whether an instrument constitutes a "security" involves an overall evaluation of the nature of the debt instrument, the extent of the investor's proprietary interest in the issuer compared with the similarity of the debt instrument to a right to receive a cash payment and certain other considerations. One of the most significant factors considered in determining whether a particular debt instrument is a security is its original term. In general, debt instruments with an initial term of less than five years likely would not (but may in certain circumstances) be considered securities and debt instruments with an initial term of greater than ten years would likely be considered securities.

Although the matter is not free from doubt, we intend to take the position that the Series A Notes, Series C Notes and New Notes would likely be treated as securities for U.S. federal income tax purposes. As a result, we will

take the position that the exchange of the Series A Notes or Series C Notes for New Notes should be treated as a recapitalization under the Code, although the IRS may take a contrary position.

#### *Consequences of Recapitalization Treatment*

The proper application of the recapitalization rules to a debt instrument subject to the contingent debt regulations is unclear. Nevertheless, we believe that a U.S. Holder will not recognize loss on the exchange and will recognize gain, if any, equal to the lesser of (i) any cash received (except for the cash allocated to accrued but unpaid interest) (“boot”), and (ii) the gain realized by the U.S. Holder (equal to the excess of (a) the sum of the issue price (as determined below) of the New Notes and any cash payments (except for the cash allocated to accrued but unpaid interest), over (b) the U.S. Holder’s adjusted tax basis in the Series A Notes or Series C Notes surrendered in the exchange). A U.S. Holder’s adjusted tax basis in the Series A Notes or Series C Notes, as applicable, and the treatment of any gain recognized on the exchange generally will be as described above under “—Tax Consequences to U.S. Holders of Tendering Existing Notes in the Tender Offer—Sale of the Existing Notes – Series A Notes, Series B Notes and Series C Notes.” A U.S. Holder’s tax basis in the New Notes received in the exchange will equal its tax basis in the Series A Notes or Series C Notes, as applicable, surrendered in exchange for such New Notes, increased by the amount of any gain recognized on the exchange and decreased by the amount of boot that is received by the U.S. Holder. A U.S. Holder’s holding period for the New Notes will include its holding period for the Series A Notes or Series C Notes, as applicable, surrendered in the exchange. The IRS could, however, take positions contrary to the foregoing discussion, in which case the amount of a holder’s income, gain or loss from such a recapitalization could differ materially from that described above.

#### *Consequences of Alternative Non-Recapitalization Treatment*

In the event that, contrary to our position, the exchange of Series A Notes or Series C Notes for New Notes were not treated as a recapitalization under the Code, a U.S. Holder would recognize taxable gain or loss in an amount equal to the difference between: (i) the sum of any cash payment (except for the cash allocated to accrued but unpaid interest) and the issue price (as determined below) of the New Notes received in the Exchange Offer; and (ii) the U.S. Holder’s adjusted tax basis in the Series A Notes or Series C Notes. A U.S. Holder’s adjusted tax basis in the Series A Notes or Series C Notes, and the treatment of any gain realized if the exchange were not treated as a recapitalization is as described under “—Tax Consequences to U.S. Holders of Tendering Existing Notes in the Tender Offer—Sale of the Existing Notes – Series A Notes, Series B Notes and Series C Notes.” In the case of a fully taxable exchange of Series A Notes or Series C Notes for New Notes, U.S. Holders will have an initial tax basis in the New Notes generally equal to the initial issue price, as determined below, and will have a holding period that begins the day after the exchange.

#### *Issue Price of the New Notes*

Under the Code and applicable U.S. Treasury regulations, if a substantial amount of the New Notes is issued for cash in the Concurrent Offering, the “issue price” of the New Notes will be the first price at which a substantial amount of New Notes is issued for cash. It is expected that a substantial amount of the New Notes will be issued for cash in the Concurrent Offering.

#### ***Tax Consequences of Holding and Disposing of the New Notes***

##### *Stated Interest*

Stated interest paid to a U.S. Holder on a New Note, including any amount withheld in respect of any taxes and any Additional Amounts, generally will be includible in the gross income of the U.S. Holder as ordinary interest income at the time such payments are received or accrued in accordance with such U.S. Holder’s usual method of tax accounting for U.S. federal income tax purposes.

If foreign income taxes are withheld on interest payments on the New Notes (including any income taxes withheld on any Additional Amounts paid), a U.S. Holder will also be treated as having received an amount equal to the amount of such income taxes and as having paid such amount to the relevant taxing authority. As a result, the amount of interest income included in gross income by a U.S. Holder would be greater than the amount of cash actually received by the U.S. Holder in such instance. Interest on the New Notes will be treated as foreign source

income for U.S. federal income tax purposes and generally will constitute “passive category” income for most U.S. Holders. Subject to generally applicable restrictions and conditions (including a minimum holding period requirement), if any foreign income taxes are withheld on interest payments on the New Notes, a U.S. Holder generally will be entitled to a foreign tax credit in respect of any such foreign income taxes. Alternatively, the U.S. Holder may deduct such taxes in computing taxable income for U.S. federal income tax purposes provided that the U.S. Holder does not elect to claim a foreign tax credit for any foreign income taxes paid or accrued for the relevant taxable year. The rules governing the foreign tax credit are complex. U.S. Holders are urged to consult their own tax advisors regarding the availability of the foreign tax credit (or the availability of deductions) under their particular circumstances.

#### *Original Issue Discount*

It is expected, and this discussion assumes, that the issue price of the New Notes will be the issue price in the Concurrent Offering. Accordingly, the New Notes may be treated as issued with OID if the stated principal amount of the New Notes exceeds their issue price (as described above) by an amount equal to or more than a statutorily defined *de minimis* amount (generally, one-quarter of 1% multiplied by the stated principal amount and the number of complete years to maturity from the issue date). A U.S. Holder of a New Note issued with OID must include the OID in income as foreign-source ordinary income for U.S. federal income tax purposes as it accrues under a constant yield method in advance of receipt of the cash payments attributable to such income, regardless of such U.S. Holder’s regular method of tax accounting.

#### *Market Discount*

If a U.S. Holder’s initial tax basis in the New Notes received in the exchange (as determined above under “—Tax Consequences to U.S. Holders of Exchanging Series A Notes or Series C Notes for New Notes in the Exchange Offer—Consequences of Recapitalization Treatment” and “—Consequences of Alternative Non-Recapitalization Treatment”) is less than, by more than a statutorily defined *de minimis* amount, the stated principal amount of the New Notes, the amount of the difference generally will be treated as market discount for U.S. federal income tax purposes. If a New Note has market discount, the U.S. Holder generally will be required to treat any principal payment or any gain on the sale or other taxable disposition of a New Note as ordinary income to the extent of the market discount accrued on the New Note at the time of the payment or disposition unless the U.S. Holder has previously included this market discount in income. Alternatively, a U.S. Holder may elect to include market discount in gross income currently over the life of the New Note. This election shall apply to all debt instruments with market discount acquired by the electing U.S. Holder on or after the first day of the first taxable year to which the election applies and may not be revoked without the consent of the IRS. A U.S. Holder that does not elect to include market discount in gross income currently generally will be required to defer, until the maturity of the New Note or its earlier disposition, the deduction of all or a portion of the interest expense on any indebtedness incurred or maintained to purchase or carry the New Note.

In addition, a U.S. Holder may make an election to include in income all interest that accrues on a note (including stated interest, acquisition discount, original issue discount, *de minimis* original issue discount, market discount, *de minimis* market discount, and unstated interest, as adjusted by any amortizable bond premium or acquisition premium) in accordance with a constant-yield method based on the compounding of interest.

#### *Amortizable Bond Premium*

If a U.S. Holder’s initial tax basis in the New Notes received in the exchange (as determined above under “—Tax Consequences to U.S. Holders of Exchanging Series A Notes or Series C Notes for New Notes in the Exchange Offer—Consequences of Recapitalization Treatment” and “—Consequences of Alternative Non-Recapitalization Treatment”) is greater than the stated principal amount of the New Notes, the U.S. Holder will be considered to have acquired the New Notes with amortizable bond premium in the amount of such excess. A U.S. Holder may elect to amortize this bond premium, using a constant-yield method, over the remaining term of the New Note. Because of the optional redemption feature of the New Notes, the value of the amortizable bond premium may be adversely affected. A U.S. Holder generally may use the amortizable bond premium allocable to an accrual period to offset stated interest otherwise required to be included in income with respect to the New Note in that accrual period. An election to amortize bond premium applies to all taxable debt obligations then owned or thereafter acquired and may be revoked only with the consent of the IRS.

If a U.S. Holder makes a constant-yield election (as described under “—Market Discount” above) for a New Note with amortizable bond premium, that election will result in a deemed election to amortize bond premium for all of the U.S. Holder’s debt instruments with amortizable bond premium, and may be revoked only with the permission of the IRS with respect to debt instruments acquired after revocation.

#### *Sale, Exchange or Other Taxable Disposition*

Upon the sale, exchange or other taxable disposition (including a retirement or redemption) of a New Note, a U.S. Holder generally will recognize taxable gain or loss equal to the difference, if any, between the amount realized on the sale, exchange or other taxable disposition (other than amounts attributable to accrued but unpaid stated interest which will be taxable as ordinary interest income to the extent not previously included in gross income) and the U.S. Holder’s adjusted tax basis in the New Note. A U.S. Holder’s adjusted tax basis in the New Notes will initially be determined as described above under “—Tax Consequences to U.S. Holders of Exchanging Series A Notes or Series C Notes for New Notes in the Exchange Offer—Consequences of Recapitalization Treatment” and “—Consequences of Alternative Non-Recapitalization Treatment” and will subsequently be increased by the amounts of any OID or market discount that the U.S. Holder includes in income with respect to the New Note and reduced by any amortized bond premium. Except as described above under “—Market Discount,” any such gain or loss generally will be capital gain or loss, and will be long-term capital gain or loss if the U.S. Holder has a holding period in the New Notes that is greater than one year at the time of such sale, exchange or other taxable disposition. Certain non-corporate U.S. Holders (including individuals) may be eligible for preferential rates of U.S. federal income tax in respect of long-term capital gains. The ability of a U.S. Holder to deduct capital loss is subject to limitations under the Code.

Any gain or loss realized on the sale, exchange or other taxable disposition (including a retirement or redemption) of a New Note generally will be treated as U.S. source gain or loss, as the case may be. If any gain from the sale, exchange or other taxable disposition of New Notes is subject to foreign income tax, U.S. Holders may not be able to credit such tax against their U.S. federal income tax liability under the U.S. foreign tax credit limitations of the Code (because such gain generally would be U.S. source income) unless such income tax can be credited (subject to applicable limitations) against U.S. federal income tax due on other income that is treated as derived from foreign sources. Alternatively, the U.S. Holder may deduct such foreign income tax in computing taxable income for U.S. federal income tax purposes provided that the U.S. Holder does not elect to claim a foreign tax credit for any foreign income taxes paid or accrued for the relevant taxable year. U.S. Holders are urged to consult their own tax advisors regarding the availability of the foreign tax credit (or the availability of deductions) under their particular circumstances.

#### ***Backup Withholding and Information Reporting***

Information reporting requirements generally will apply to payments of interest and proceeds from the disposition of the New Notes, and payments of the cash proceeds from the disposition of the Existing Notes pursuant to the Tender and Exchange Offer, to U.S. Holders (other than exempt recipients). Backup withholding may also be required unless the U.S. Holder is an exempt recipient or provides its correct taxpayer identification number and certifies that it is a U.S. person and that no loss of exemption from backup withholding has occurred.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against the U.S. Holder’s U.S. federal income tax liability provided the required information is timely furnished to the IRS.

In addition, certain U.S. Holders who are individuals may be required to report information relating to an interest in the Existing Notes or New Notes, subject to certain exceptions (including an exception for Existing Notes or New Notes held in accounts maintained by certain financial institutions). U.S. Holders should consult their tax advisors regarding the effect, if any, of this legislation on their ownership and disposition of the Existing Notes or New Notes.

## **Argentine Tax Considerations**

The following is a summary of Argentine tax consequences of participating in the Tender and Exchange Offer that may be material to all holders, whether they are Argentine resident or not. This summary does not purport to be a comprehensive description of all of the tax consequences that may be relevant to the holders' decision to participate in the Tender and Exchange Offer, including tax consequences that arise from rules of general application to all taxpayers or to certain classes of taxpayers or that are generally assumed to be known by investors.

This summary is based on the Argentine tax laws in effect, their regulations promulgated thereunder, and administrative and judicial interpretations thereof, as of the date hereof, all of which are subject to change, possibly on a retroactive basis. No assurances can be given that any change in these laws or authorities will not affect the accuracy of the discussion set forth in the summary.

We understand that the Listed Notes qualify for the tax exemptions provided under Article 36 bis of Argentine Law No. 23,576, as amended by Law No. 23,962, and the applicable provincial tax systems, as they have met the following requirements:

- the Listed Notes have been placed through a public offering authorized by the CNV;
- proceeds of the placement of the Listed Notes have been used by us for (i) working capital in Argentina, (ii) investments in capital assets located in Argentina, (iii) debt refinancing or restructuring, and/or (iv) capital contributions to a controlled or affiliated corporation that has used the proceeds of for any of the aforementioned purposes; and
- we have reported the appropriate use of proceeds to the CNV in one or more of the aforementioned purposes, as determined by the CNV.

We have not sought any ruling from the Argentine tax authorities (the “**AFIP**”) with respect to the statements made and the conclusions reached in this discussion, and there can be no assurance that the AFIP will agree with all of such statements and conclusions.

**YOU ARE URGED TO CONSULT WITH YOUR TAX ADVISORS AS TO THE PARTICULAR ARGENTINE TAX CONSEQUENCES TO YOU OF PARTICIPATING IN THE TENDER AND EXCHANGE OFFER, AS WELL AS THE EFFECT OF ANY STATE, LOCAL OR FOREIGN TAX LAWS AND OF CHANGES IN APPLICABLE TAX LAWS.**

### ***Income Tax - Resident Holders***

A sale of Existing Notes for cash or an exchange of Listed Notes for New Notes pursuant to the Tender and Exchange Offer (the “**Sale**” and the “**Exchange**,” respectively) will be deemed a transfer for consideration for Argentine income tax purposes. Consequently, holders will realize capital gain or loss in an amount equal to the difference between the amount realized and their adjusted tax basis in the Existing Notes sold. In the event of the Sale, the amount realized will be the cash, while in the Exchange, the New Notes' fair market value.

Argentine resident individuals and their undivided estates will not be taxed on their capital gains realized from the Sale or the Exchange, provided that the Existing Notes qualify for the income tax exemption of Article 36 bis of Law No. 23,576.

Argentine corporate taxpayers (i.e., corporations, limited liability companies, for-profit associations and foundations, State-owned corporations, trusts, mutual and investment funds, permanent establishments of foreign persons) will be subject to tax on capital gains from the Sale or the Exchange at a 35% rate. The amount of capital gains will be determined as the excess of the amount realized and the adjusted tax basis in the Existing Notes sold.



### ***Income Tax - Nonresident Holders***

***If conditions of Article 36 of the Negotiable Obligations Law are fully complied with, non-resident individuals and foreign entities without a permanent establishment in Argentina are not subject to taxation on capital gains derived from the Sale or the Exchange. Assets Tax***

Argentine corporate taxpayers have to include the proceeds from the Sale or the Exchange as taxable assets for purposes of assessing their assets tax liability. Argentine financial institutions will be entitled to include only 20% of the proceeds in their assets tax base. In all cases, the applicable tax rate will be 1% applicable over the total value of assets, including the New Notes, above an aggregate amount of AR\$ 200,000. Any income tax paid by the holders will be credited against the assets tax liability. In turn, any assets tax paid will be applied as a credit toward income tax owed in the following ten fiscal years.

Nonresidents are not subject to assets tax on the proceeds from the Sale or the Exchange, unless they are attributable to a permanent establishment in Argentina for assets tax purposes. In this regard, holding cash or New Notes in Argentina does not reach the permanent establishment threshold.

### ***Personal Assets Tax***

The personal assets tax (“**PAT**”) is imposed on (a) resident individuals’ assets located in Argentina and abroad (as well as those of their undivided estates), and (b) nonresident individuals’ assets located in Argentina (as well as those of their undivided estates). For purposes of these Tender and Exchange Offer, proceeds from the Sale or the New Notes from the Exchange held as of December 31 will be an asset subject to this tax.

The tax is assessed on all the individual’s taxable assets held as of each December 31, provided that their aggregate value exceeds AR\$305,000. The tax is applicable on the market value of the New Notes (or the acquisition costs plus accrued interest in the case of unlisted notes) at December 31 of each calendar year.

The applicable rates on resident individuals are as follows:

Total value of assets	Tax rate
Up to AR\$750,000	0.50%
From AR\$750,000 to AR\$2,000,000	0.75%
From AR\$2,000,000 to AR\$5,000,000	1.00%
Over AR\$5,000,000	1.25%

Nonresident individuals, in turn, are subject to the PAT on their Argentine based assets at a flat 1.25% rate to the extent their personal assets tax liability exceeds AR\$ 255.75. Although they are technically liable to pay the tax under certain circumstances, Argentine law does not provide for a mechanism to pay the PAT of nonresidents.

Under certain circumstances, assets held by companies or other entities domiciled or incorporated abroad (offshore entities -other than insurance companies, open-end investment funds, pension funds and banks or financial entities whose head offices are incorporated in a country whose Central Bank or equivalent authority has adopted the international standards of supervision established by the Basel Committee- domiciled or incorporated in countries that do not apply nominative regimes on corporate securities, and according to their bylaws or legal nature, the main activity of such offshore entities is making investments in countries other than their incorporation country, and/or such offshore entities are precluded from conducting certain operations and/or investments expressly stated under their legal regime or bylaws) are presumed to be owned by individuals or undivided estates domiciled or incorporated in Argentina and, consequently, are subject to the PAT at an aggregate rate of 2.5%. However, Decree No. 812/1996, dated July 24, 1996, establishes that this legal presumption shall not apply to shares and debt-related corporate securities, such as the New Notes, whose public offering has been authorized by the CNV and which are tradable on Argentine or foreign stock exchanges or stock markets.

In order to ensure that this legal presumption will not apply and, correspondingly, that the issuer shall not be liable as a substitute obligor in respect of the New Notes, the issuer shall keep in its records a duly certified copy of the CNV resolution authorizing the public offering of the securities, and evidence verifying that such certificate

or authorization was effective as of December 31 of the year in which the PAT liability occurred, as required by Resolution No. 2,151 of the Argentine Tax Authority published in the Official Gazette on November 3, 2006.

### ***Value-Added Tax***

All services relating to the issuance, placement, transfer, amortization of the Existing Notes, as well as their interest payments and guarantees, are exempt from VAT, to the extent that the conditions set forth by Article 36 of the Negotiable Obligations Law are fulfilled. Consequently, the Sale or the Exchange will not be subject to VAT.

### ***Financial Transactions Tax***

A 0.6% financial transactions tax is imposed on deposits and withdrawals of funds to and from Argentine checking accounts. Other transactions that involve the flow of money are assimilated to the use of checking accounts and taxed accordingly, but at a rate of 1.2%. Some exemptions apply to specific transactions and taxpayers, the most relevant being the deposits to and withdrawals from savings accounts. Also, reduced rates of 0.075%, 0.05% and 0.1% are available for certain transactions. A portion of the tax on financial transactions (34% of the tax on deposited amounts if the applicable rate is 0.6%, or 17% of the same amount if the applicable rate is 1.2%) can be credited against the taxpayer's income tax, assets tax liabilities or the special contribution over the capital of cooperative associations.

Consequently, holders receiving the proceeds from the Sale in a checking account with a local financial institution or collect payments therein will be subject to the tax on financial transactions. This tax will not apply in the case of the Exchange.

### ***Turnover Tax***

Holders of the Existing Notes subject to the provincial turnover tax may be required to include the proceeds from the Sale or the New Notes' fair market value in their respective turnover tax basis. The turnover tax would be assessed at the rate determined by the relevant Province levying the tax, unless an exemption applies. The Tax Codes of the City of Buenos Aires and the Province of Buenos Aires exempt from their respective turnover taxes the proceeds from transfers of notes in cases such as the Sale or the Exchange, provided that the notes benefit from the income tax exemption pursuant to Article 36 of Law No. 23,576.

### ***Provincial Tax Advance Payment Regimes applicable on local bank accounts***

Different provincial tax authorities (*e.g.*, Corrientes, Córdoba, Tucuman, City of Buenos Aires, Province of Buenos Aires, Salta, etc.) have established advance payment regimes regarding the "gross sales tax" that are, in general, applicable to credits generated in bank accounts opened with financial institutions governed by Argentine Law No. 21,526.

These regimes apply to local tax payers which are included in a list distributed -usually on a monthly basis- by the provincial tax authorities to the financial institutions aforementioned.

Tax rates applicable depend on the regulations issued by each provincial tax authority, in a range that, currently, could amount up to 5%. For tax payers subject to these advance payment regimes, any payment applicable qualifies as an advance payment of the "gross sales tax".

### ***Stamp Tax***

The City of Buenos Aires levy a stamp tax on any written contracts executed or with effects in their jurisdictions. The concept of "effects" includes any obligations or activities arising from such agreements, which are fulfilled or performed in a jurisdiction other than that in which the agreements are executed. However, the Tax Code of the City of Buenos Aires exempts from stamp tax the acts, contracts and transactions, including the delivery and receipt of cash, relating to the issuance, subscription, placement and transfer of notes, issued pursuant to Law No. 23,576, as amended by Law No. 23,962. Consequently, agreements documenting the Sale or the Exchange should not be subject to stamp tax.

***Court Tax***

In the event that it becomes necessary to file enforcement proceedings in relation to the New Notes in Argentina, a court tax (currently at a rate of 3.0%) will be imposed on the amount of any claim brought before the Argentine courts of the City of Buenos Aires.

## LEGAL MATTERS

Certain legal matters with respect to U.S. law and New York law and the issuance of the New Notes will be passed upon for us by Shearman & Sterling LLP, as our U.S. legal counsel. Certain legal matters with respect to Argentine law will be passed upon for us by Cibils, Labougle, Ibañez, as our Argentine legal counsel. Cibils, Labougle, Ibañez may rely without independent investigation as to all matters of U.S. law upon Shearman & Sterling LLP. Shearman & Sterling LLP may rely without independent investigation as to all matters of Argentine law upon Cibils, Labougle, Ibañez.

Certain legal matters with respect to U.S. law and New York law and the issuance of the New Notes will be passed upon for the Dealer Managers by Cleary Gottlieb Steen & Hamilton LLP, as their U.S. special legal counsel. Certain legal matters with respect to Argentine law will be passed upon for the Dealer Managers by Bruchou, Fernández Madero & Lombardi, as their Argentine legal counsel. Bruchou, Fernández Madero & Lombardi may rely without independent investigation as to all matters of U.S. law upon Cleary Gottlieb Steen & Hamilton LLP. Cleary Gottlieb Steen & Hamilton LLP may rely without independent investigation as to all matters of Argentine law upon Bruchou, Fernández Madero & Lombardi.

**ANNEX A**  
**OFFERING MEMORANDUM**

**THE ISSUER**

**Mastellone Hermanos S.A.**  
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**DEALER MANAGERS**

**Merrill Lynch, Pierce, Fenner & Smith  
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New York, New York 10036  
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U.S. Toll Free: (888) 292-0070  
Attn: Liability Management Group

**Deutsche Bank Securities Inc.**  
60 Wall Street,  
New York, New York 10005  
Collect: (212) 250-2955  
U.S. Toll Free: (866) 627-0391  
Attention: Liability Management Group

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**REGISTRAR, PAYING AGENT, TRANSFER AGENT AND REPRESENTATIVE  
OF THE TRUSTEE IN ARGENTINA IN RESPECT OF THE NEW NOTES**

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