



RELEVANT FACT

CARBURES EUROPE, S.A.

October 8, 2014

In compliance with the provisions of Circular 9/2010 of the Alternative Stock Market (*Circular 9/2010 del Mercado Alternativo Bursátil*), we hereby place the following information regarding CARBURES EUROPE, S.A. ("CARBURES" or the "Company") at the disposal of the market.

CARBURES CONFIRMS ITS INTENTION TO LIST ITS SHARES ON THE CONTINUOUS MARKET AND ANNOUNCES AMENDMENTS TO THE FINANCIAL STATEMENTS

As part of the works carried out to list its shares on the Stock Exchanges, Carbures has commissioned its auditors, PricewaterhouseCoopers Auditores, S.L. (PwC), to conduct an audit of the consolidated financial statements of December 31, 2013 and 2012, which shall be prepared under the International Financial Reporting Standards (IFRS), as well as to review the intermediate consolidated financial statements of June 30, 2014, as is usual in these processes.

In the course of these works, some doubts have been submitted to the Board of Directors of Carbures by PwC, in the light of certain additional information that has come to their knowledge on the nature of the relationships between the parent company, Carbures Europe, S.A., while carrying out its activities in Spain, and companies deemed to be third parties to the present day.

These companies have been part of what Carbures refers to as its technological cluster (companies with which strategic alliances are maintained, that have evolved together with Carbures and that are involved in the value chain of the same products and services). In the event that they could not be considered as third parties, it may affect the accuracy of the financial information submitted to the MAB. The maximum amounts that could be affected at the consolidated level on December 31, 2013, in the worst possible scenario, would approximately amount to EUR 11.5 million in net revenue and EUR 9 million in results before taxes, besides the potential and corresponding effects that could be derived from them in Equity, the Balance Sheet, the Profit and Loss Account and the notes attached to the financial statements. It should be noted that no sales were made to these companies in 2014.

Likewise, in the framework of these reviews and analyses, the Company has requested the auditor to verify the suitability of the timing for the revenue and benefit margins recognition related to the contract signed with Shenyang Hengrui&Exp. Trade Co Ltd, which has been allocated by the Company in its intermediate financial statements of June 30, 2014 in the amount of EUR 19.6 million of revenue.

For the transactions other than those given above, no discrepancies or doubts have been found hitherto about the Carbures' cash flows accuracy. On the other hand, it is hereby stated that Carbures has not yet started to review its financial statements and its prospectus to be listed on the Stock Exchanges by the Spanish National Stock Exchange Commission. This process shall start once the works stated above have finished.

The Board of Directors of Carbures reiterates to its shareholders its commitment to continue with its development plan, of which to be listed on the Continuous Stock Market is an essential part and, regarding the works related to it and with the objective to adapt the standards in terms of Corporate Governance, it will continue carrying out all the reviews and analyses deemed to be necessary to achieve this objective. For that purpose, the Board of Directors of Carbures, in a meeting held today, has agreed the following:

- 1) To conduct a complete audit, by PwC, of the consolidated financial statements prepared under the Spanish General Accounting Plan of June 30, 2014, to determine the nature and the impact of these facts, and whose results will be published as soon as possible.

- 2) To strengthen the composition of the Board of Directors and the different Committees of the Board. For that purpose, three new independent directors will be appointed, one of which shall have training and recognized experience on auditing and/or supervising financial statements of listed companies. Finally, to conduct an intensive analysis of the roles assigned to each director within the framework of the Board of Directors functions.

3) To strengthen the financial and internal audit functions by appointing professionals with experience in companies listed on regulated markets.

Jerez de la Frontera, October 8, 2014

CARBURES EUROPE, S.A.

Mr. Rafael Contreras Chamorro
On behalf of Rafcon Economist, S.L. as
Chief Executive Officer of CARBURES EUROPE, S.A.