



**RELEVANT FACT
CARBURES EUROPE, S.A.
30 March 2016**

In accordance with the provisions of Notice 7/2016 from the Alternative Investment Market, the present document provides the market with the following information related to **CARBURES EUROPE, S.A.** (hereinafter "CARBURES" or the "Company").

The Company issued a Relevant Event on 26 November to report the completion of the transaction, dated 25 September 2015, to finance Emerging Markets Intrinsic (hereinafter "EMI") for the amount of seven million euros, of which only three million euros were available. Further to this relevant event and in connection with this transaction, the Company notifies the market of the following:

1.- The Company has verified that EMI sold the shares pledged by the shareholder Neuer Gedanke, S.L. (hereinafter "Neuer Gedanke"), in what we understand as an execution of the guarantee. As also reported in the Relevant Event of 26 November, Carbures began to take legal action against EMI on 24 November before the Supreme Court of the State of New York.

Since then the legal procedure has run its normal course, although the Company has not yet obtained the necessary information from the other party on the price at which these shares were sold, nor the resulting bank balances following the transaction. EMI has also failed to make any legal claims, except for a letter that states that EMI would still be a creditor, after the execution of the guarantee, for an additional amount of 745,142 euros, resulting from the interest on the transaction (6%), for the total amount of the loan (seven million euros) and for the duration of the loan, rather than on the amount available (3 million euros), and for the period between the funds being provided and the date of execution of the guarantee by EMI.

The Company considers that this claim is inadmissible and unfounded, as it was an irregular transaction, and the amount drawn is the only amount that can accrue interest and, as the transaction was irregular, EMI and its partners have caused unlawful damage to the company. The claim accuses the defendants of the following: (i) breach of contract, (ii) breach of the duty of good faith, (iii) fraud and (iv) conversion as a result of execution. Carbures is demanded a total of 150 million dollars from EMI in the New York Supreme Court. The claims are 50 million for damages suffered and 100 million for "punitive damages".

At present the case is still in court and the hearing is scheduled for 8 June.

2.- As a result of the counter-guarantee granted by the Company to the shareholder Neuer Gedanke in this transaction, the Company owes Neuer Gedanke 6,206,780 shares. The Company may choose between providing the shareholder with an equivalent number of shares, capitalizing the amount of credit, or paying the aforementioned debt in cash at a

value of 0.98 euros per share (the market value when Neuer Gedanke provided the shares as collateral).

3.- The Company has cancelled EMI's debt to account for this operation, which represents an income of 3 million.

The debt with NEUER from December 2015 has been entered in the accounts as a debt of 6,310,790 shares (currently the debt has been reduced through compensation to 6,206,780 shares). In accordance with accounting standards the shares were valued at 4,863,158.30 (a trading price of 0.77 euros/share) using their closing price on 31/12/2015, with a financial cost for the same amount given that this debt is considered a financial expense. In accordance with these accounts, which are pending review by the auditor, the operation would, in the 2015 financial year, have a negative impact of -€1.8M on pre-tax profits.

El Puerto de Santa María, 30 March, 2016

Guillermo Medina Ors
Non-Executive Secretary of the Board
CARBURES EUROPE, S.A.