



RELEVANT FACT
CARBURES EUROPE, S.A.
8th of January 2015

In compliance with the provisions of Circular letter 9/2010 from the *Mercado Alternativo Bursátil* [Alternative Stock Market], by means of this present document, we hereby make the following information available to the market regarding **CARBURES EUROPE, S.A.**

On Friday, 9th of January, a Corporative Presentation will be carried out about **CARBURES EUROPE S.A.**, this presentation is aimed at analysts and professional investors. The content which will be covered in this presentation has been attached to this document. The shareholders will have access to this content via the Company's website.

In Jerez de la Frontera, on the 8th of January, 2015

Tomas Pelayo Muñoz

Non-Counsellor Secretary of the Board of Directors
of **CARBURES EUROPE, S.A.**

carburesGroup

2015 OUTLOOK

9th January 2015



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WHO WE ARE ?

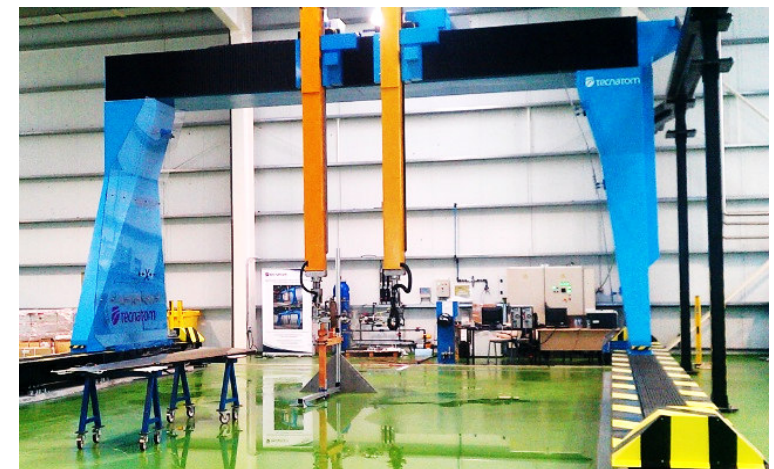
CARBon structURES

Tier 2 Global Company

CARBURES is an industrial group specialized in the research, engineering and manufacturing of carbon fiber parts and structures for the aerospace, automotive, civil works and railway industries.

CARBURES has reached a strategic positioning in the global market. With over 1,000 employees, it operates in 14 sites (12 engineering and manufacturing plants and two technical offices) in six key countries (China, Germany, Mexico, Poland, Spain and the US) for its business.

Spin Off from Cadiz University

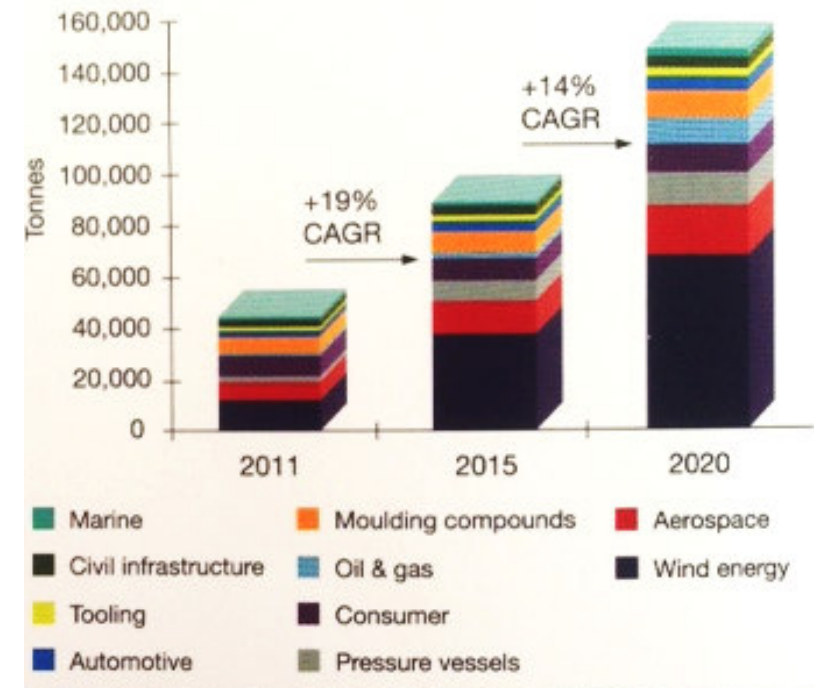


POTENTIAL MARKET

- Governments worldwide are increasingly adopting measures for reducing CO2 emissions.
- EU, China & US, among others, are putting pressure on OEMs to produce less polluting vehicles, more efficient vehicles through tax increases and incentives.
- Cars using renewable energies require lighter materials to increase range and become a competitive alternative to conventional vehicles.

Weight reduction in vehicles is an essential tool to reduce CO2 emissions

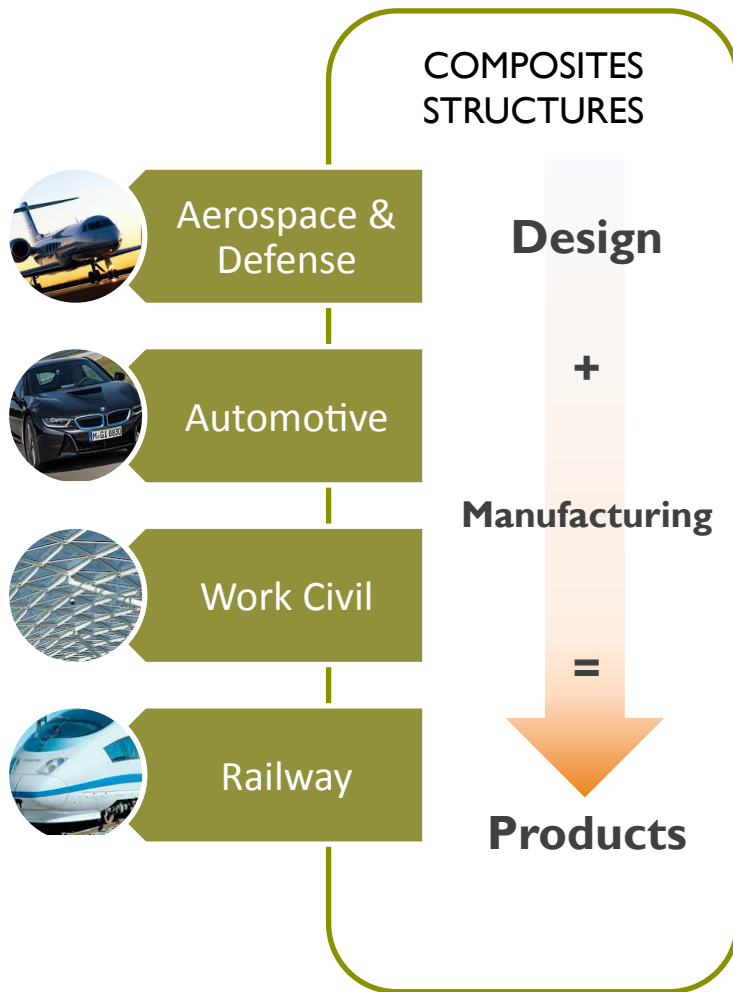
Figure 2: Demand for carbon fiber will double by 2015



Source: Ricardo analysis, Composites Word, HS Supplier Insights 2012



COMPETITIVE ADVANTAGES



- **First mover advantage:** researching on composites since 1999. 15-year experience in aerospace industry plus **diversification** into automotive, railway and civil works.
- **Know how and technological leadership:** specialized **own** technology in the manufacturing of carbon fiber structures and **engineering services:** 600 engineers.
- **Certified facilities, processes and quality certifications:** ISO9001, EN9100, ISO14001, OHSAS18001, NADCAP accreditations, I+D center for AIRBUS MILITARY, AIRBUS SPAIN and SACESA.
- **Order visibility:** long-term contracts with TIER 1 and OEM
- **Geo-strategic positioning (graphical diversification): 14 facilities** (manufacturing plants, engineering centers and technical offices) **in 6 countries** (Spain, China, USA, Mexico, Poland and Germany)
- Self-developed technology for manufacturing long series of carbon fiber parts for the automotive industry: **Rapid Multi-injection Compress Process (RMCP)** which gives CARBURES a vast growth potential.



A NEW MANAGEMENT TEAM

A new management team of highly experienced executives committed to maintain the company's growth and create value for the shareholder

Josep María Tarragó
CEO

Telecommunications Engineer by the Universidad Politécnica of Catalonia and MBA by IESE Business School. Sound industrial background as Executive VP of FICOSA, a leading Spanish Company in the automotive industry. Executive VP of Carbures since 2011.

CFO

Ignacio Barón

Degree in Law and Business Administration by ICADE E-3
Deloitte (7 years)
Occidental Hoteles (10 years)

**Corporate Services
General Manager**
Marina Planas

Industrial Engineer by the Universidad Politécnica of Catalonia and MBA by ESADE Business School.
FICOSA INT. (17 years)

**Automotive Sales'
& Technical Director**
Josef Neuhäusler

Industrial Engineer by SLV.
DAEWOO (8 years)
IVM Automotive (8 years)
EDAG (4 years)
aXcep (4 years)

**Corporate
Controller**
Rafael Carrillo

Degree in Business Administration by Deusto University and MBA by IESE Business School.
GAMESA EOLICA (6 years)
ACCIONA (12 years)



CORPORATE GOVERNANCE

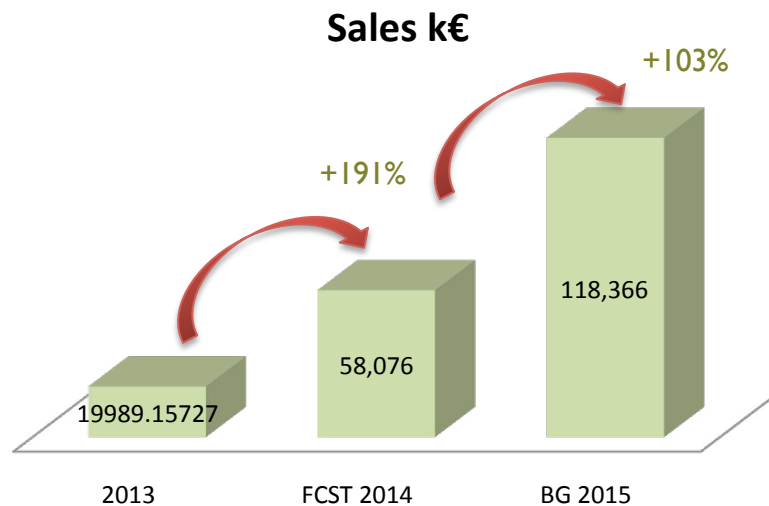
- **Board of Directors:** new independent Directors providing a risk-control approach
- **Audit Committee** including independent and highly recognized professionals with audit background
 - New **Internal Audit Director** reporting to the Audit Committee: TBC
- Set up of a **Compensation & Nomination Committee**



Deep professionalization to implement best practices in Corporate Government



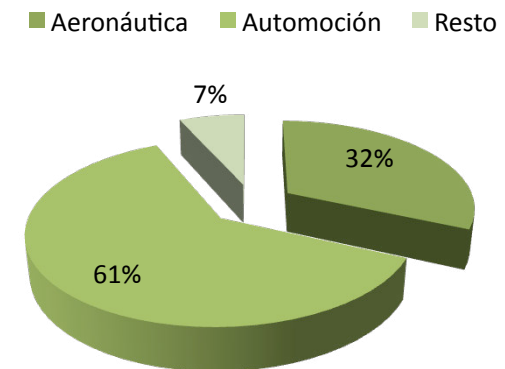
CARBURES ADOPTS A NEW CONSERVATIVE APPROACH



Budget Sales 118 mill €: 61% for Automotive Sector considering around 30 mill € Shengrui Contract

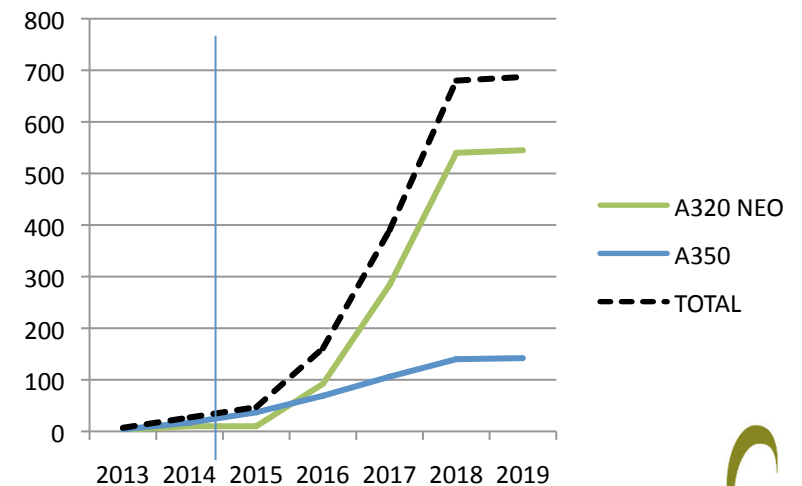
Increase in Revenues of 103% due to Organic growth related to **Contracted** projects

Sales by Sector

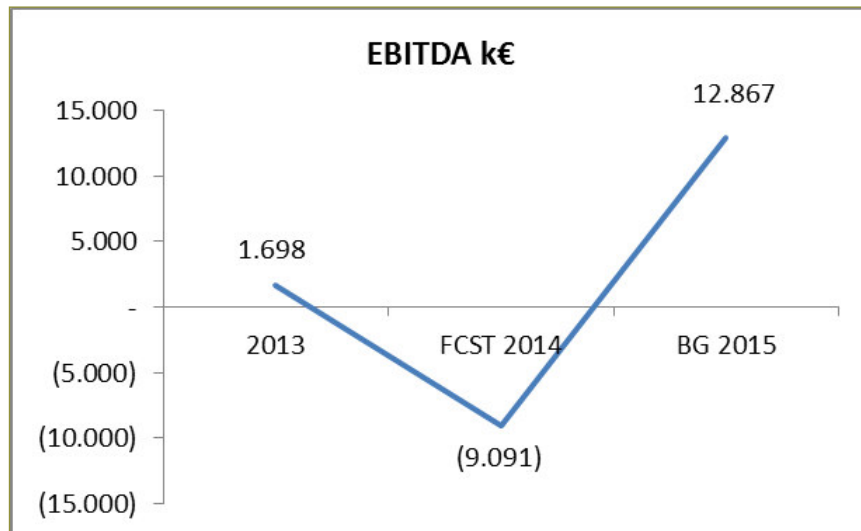


Aircraft production plan

Source: Airbus



CONSERVATIVE ACCOUNTING PRINCIPLES



Accounting principles applied:
“ the most conservative one”

- ✓ Revenue Recognition from Product Sold to Product Delivered

Result set:

- ✓ Losses in 2014: Non Recurring situation
- ✓ Benefits in 2015: Business Reality

Main drivers:

- 30% Shengrui Contract invoicing transfer to following years (around -17 mill eur).
- Non Recurring costs incurred in relation with the transition from MAB to the Continuous Market (around -3 mill eur)
- Aeronautic Programs Delays (around -4 mill eur).
- Projects Development Resources (around -3 mill eur).



PwC AUDIT

- On Dec 26, 2014 PwC concluded its review of the 2013 Audit and the Audit of the June 2014 Consolidated Financial Statements.
- **Unqualified opinion** and no need to restate the 2013 Accounts.
- Discussions have been focused on accounting criteria, not on the existence of the transactions.
- Negative working capital is related to the development stage of the Company and is being addressed by Management in 2015.

Hengrui Contract

- PwC has suggested a change in the revenue recognition method of the Hengrui Contract
- **A more conservative approach** has been adopted by Management → revenues accounted for at delivery of each machine
- Effect: revenues € 19.6 mio are deferred to year 2015 (net income impact of € 17.6 mio in 2014 accounts).
- The contract **remains fully in force**: work on the machines is ongoing and deliveries are scheduled for 2015 and 2016.
- Revenues of € 32 mio related to this contract are included in the 2015 Budget.

Corporate Presentation

Transactions with related parties

- Transactions with three related parties (Ansal, Materiale and Sinatec) included in the 2013 Annual Accounts have been reviewed by PwC.
- As confirmed by PwC, none of these three companies fall within the consolidation scope and are not associated to nor controlled by the Company or its executives or directors.
- The revenues and costs of one single transaction with Ansal have been deferred from 2013 to 2014 as reflected in the Audited Financial Statements as of June 30, 2014. This is not considered an intragroup transaction. Initial and reviewed figures are as follows:

EUR '000	2013	
	Initial	Reviewed
Revenues	25.353	19.989
EBITDA	4.707 19%	1.698 8%

Corporate Presentation

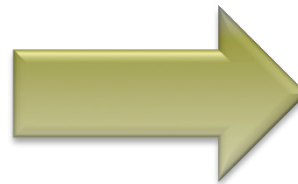
CARBURES TRANSITION

PHASE I

Entrepreneurship
Already completed

Main objectives achieved:

- Geostrategic positioning:
14 plants,
6 countries
3 continents
1,000 employees
- Key Markets penetration:
Asia JV, Long-term
contracts



PHASE 2

Management
Next step in Carbures' development

Main Objectives:

- Organic Growth
- Diversification
- Group Consolidation
- Synergies





THANK YOU

January 2015

