



HECHO RELEVANTE

CARBURES EUROPE, S.A.

17 de febrero de 2015

De conformidad con lo previsto en la Circular 9/2010 del Mercado Alternativo Bursátil, por medio de la presente, ponemos a disposición del mercado la siguiente información relativa a CARBURES EUROPE, S.A. ("CARBURES" ó la "Compañía").

En reunión sin sesión del Consejo de Administración, ha resultado aprobado plan de negocios de la Compañía y su grupo de sociedades para los ejercicios 2015, 2016 y 2017, en el que se prevé entre otras cuestiones, tanto las inversiones previstas, como ampliaciones de capital a realizar próximamente y la financiación adicional procedente de deuda y recursos propios de años sucesivos.

En Jerez de la Frontera, a 17 de febrero de 2015

CARBURES EUROPE, S.A.

A handwritten signature in blue ink, appearing to read "Tomas Pelayo Muñoz", with a long horizontal line extending to the right.

Tomas Pelayo Muñoz
Secretario no Consejero del Consejo de Administración
de CARBURES EUROPE, S.A.

carburesGroup

BUSINESS PLAN 2015 – 2017: MAIN DRIVERS

February 2015



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 - (1) the market situation, macro-economic factors, political, governmental and legal regulations,
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I. Who we are

II. Strategic Lines: Preparing the Company for growth

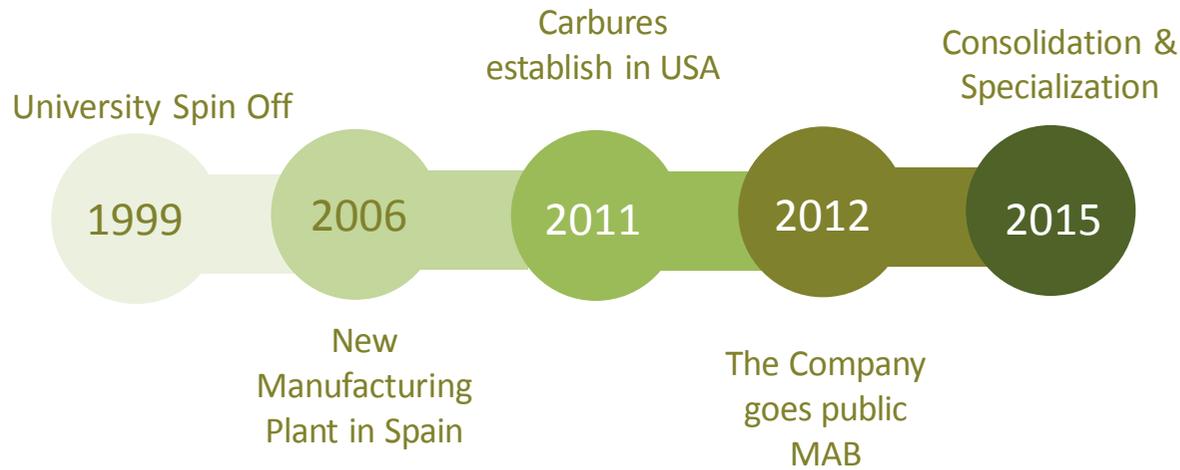
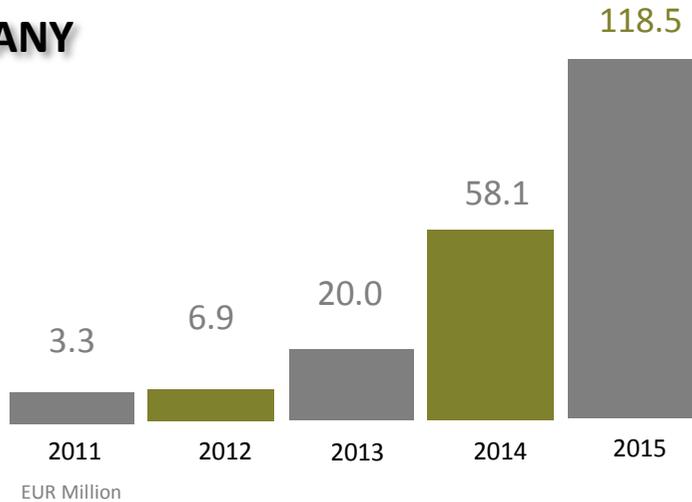
III. Sector Analysis:

- I. Potential Market
- II. Carbures Focus Main Actions

IV. Wrap up



OUR COMPANY



CARBon structURES

Tier 2 Global Company



Value creation

79% in Research, Design and Engineering



BENEFITS OF CARBON FIBER



Low Mass

- ✓ 70% Lighter than steel (x3 resistance & x5 energy absorption)
- ✓ 40% Lighter than Aluminum
- ✓ 35% Lighter than Magnesium

Design Flexibility

- ✓ Deep draw panels, not possible stamped in metal
- ✓ Finishes can be obtained in the process without additional paint

Low Capital Cost

- ✓ Deep reduced assembly/process costs & time
- ✓ Tool investment 40%-60% cheaper than steel

Optimal Technical Performance

- ✓ Excellent Corrosion Resistance, scratches, dents, damping
- ✓ Significantly enhanced fatigue life
- ✓ Optimal energy absorption properties for pedestrian and safety solutions
- ✓ Thermal Stability
- ✓ Excellent Strength /weight ratio (x2 specific strength & stiffness of steel)



OUR EXPERTISE

Engineering Design

+

Manufacturing

=

Products

COMPOSITES STRUCTURES



Aerospace & Defense



Automotive



Work Civil



Railway

MACHINERY



Hidraulic Systems



Test Equipment



Assembly Lines



RMCP

ENGINEERING & SYSTEMS



On Board equipments



Flight & Ground Test

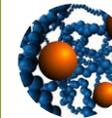


MRO

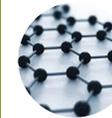


security and authority vehicles premium OEM's

NEW COMPOSITES



Nano composites



Graphene

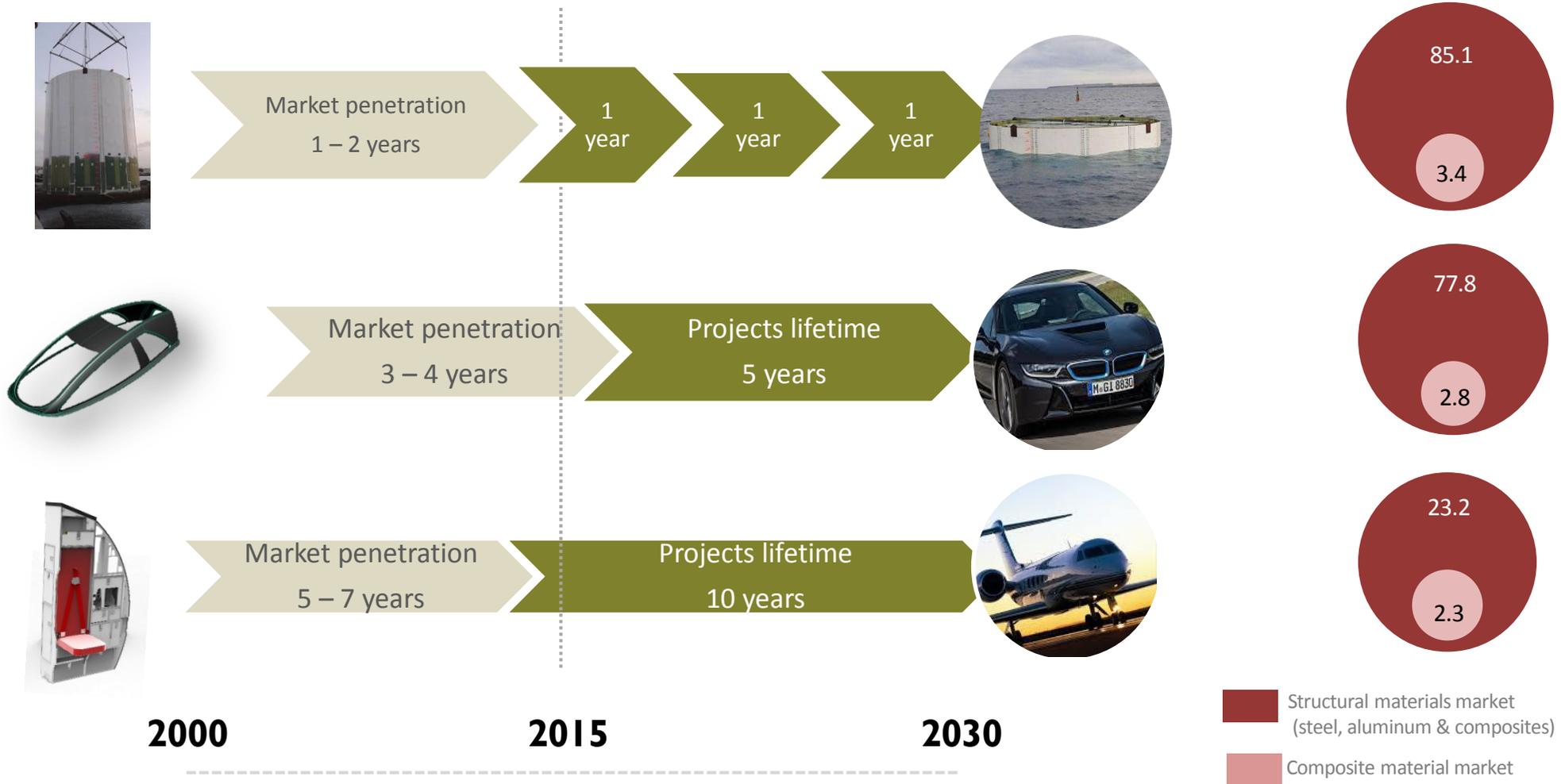


Recycled Materials



WE ARE IN A LONG-TERM INDUSTRY

First mover position: a key factor for Carbures' success

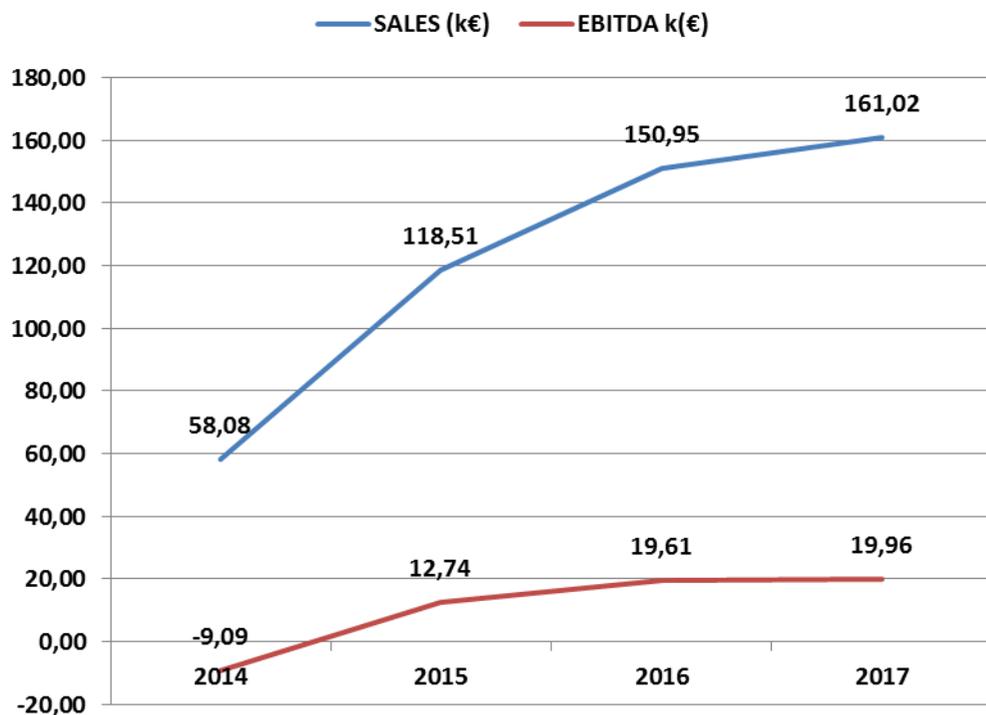


■ Structural materials market (steel, aluminum & composites)
■ Composite material market



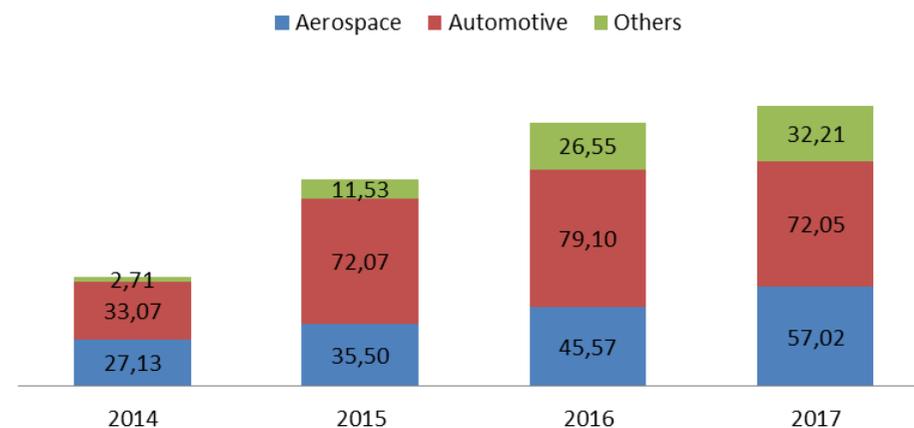
FIGURES BASED ON CURRENT BACKLOG & HISTORICAL RECURRENT BUSINESS

Sales & EBITDA (k€) with Potencial Acquisitions

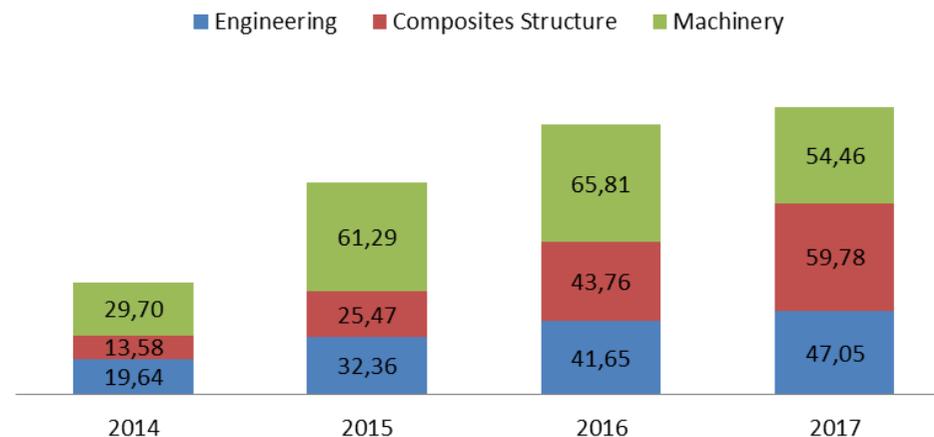


Includes 2 potential acquisitions to be executed in 2015 representing € 7mio in Sales (2016)

Sales by Industry (k€)



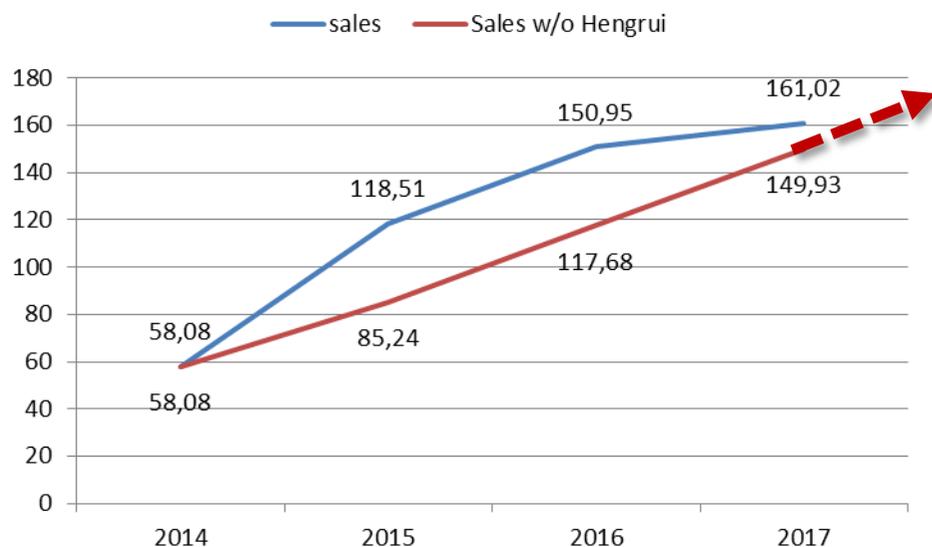
Sales by Business (k€)



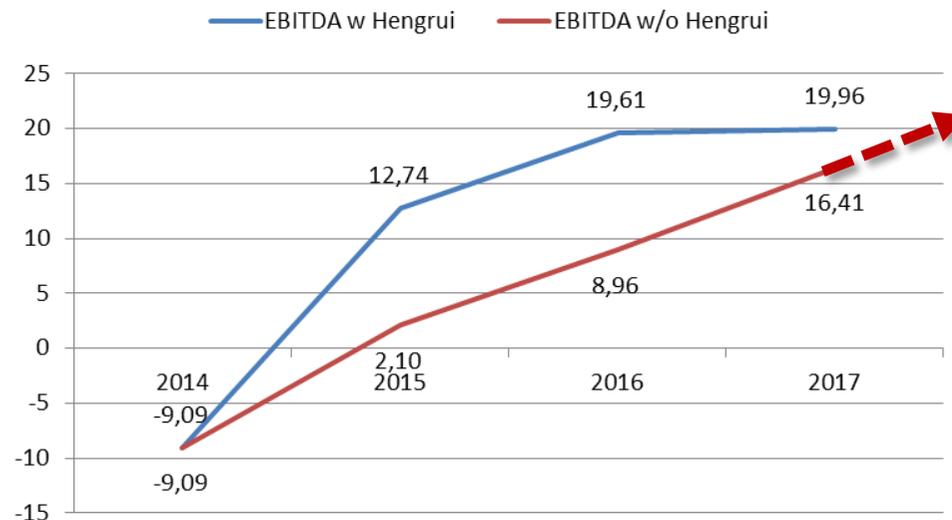
HENGRUI CONTRACT IMPACT

- Contract for sale of **RMCP lines** to Shengyang Hengrui represents sales and EBITDA of € 75 and € 27 mio over a 3-year period
- This contract is an essential milestone in Carbures' short-term growth but **will not be the basis** for our long-term business development: in 2017 Hengrui contract will represent only 7% of total revenues

Sales (k€)



EBITDA (k€)



EBITDA (%)	2014	2015	2016	2017
w Hengrui	-15,7%	10,8%	13,0%	12,4%
w/o Hengrui	-15,7%	2,5%	7,6%	10,9%



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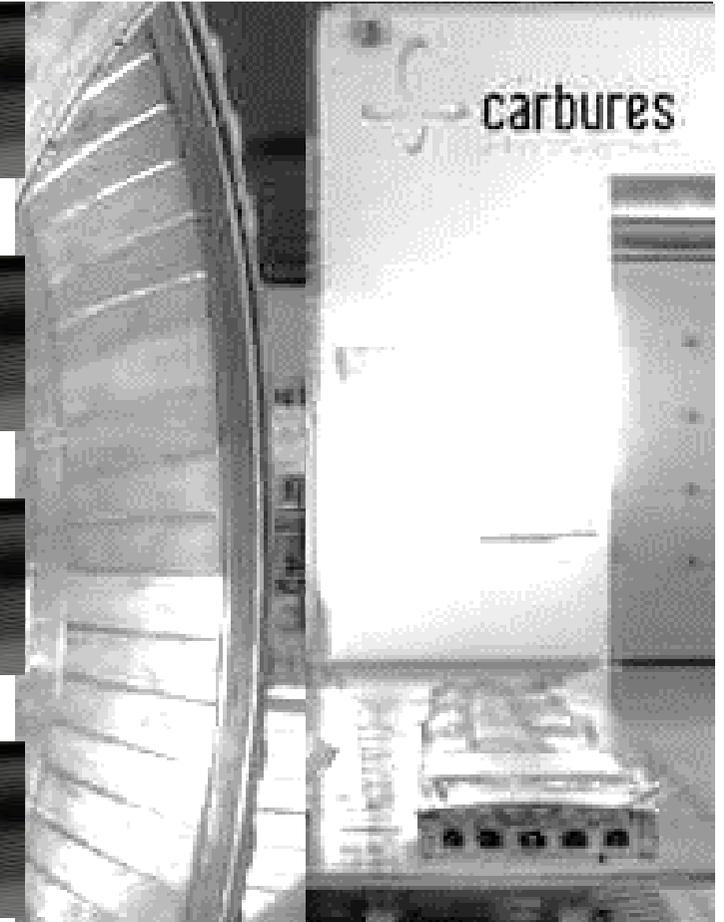
TAKING OUR PERFORMANCE TO THE NEXT LEVEL

1 Consolidation and specialization

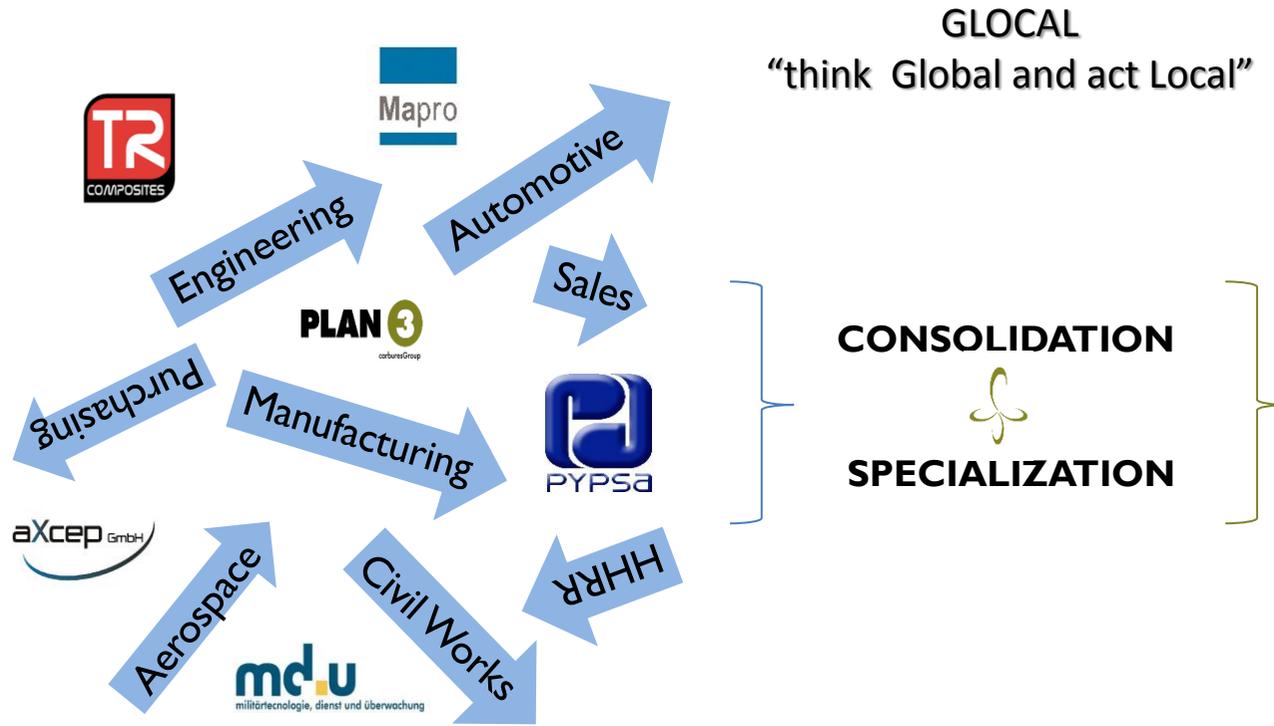
2 Added value creation

3 Globalization, main growth

4 Improvement Financial Ratios



1 CONSOLIDATION & SPECIALISATION

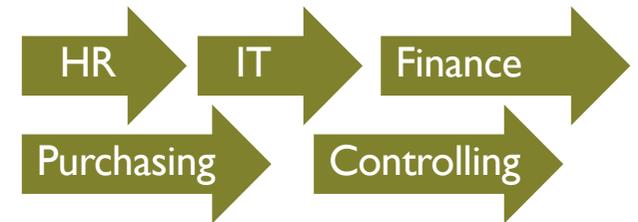


2013-2014

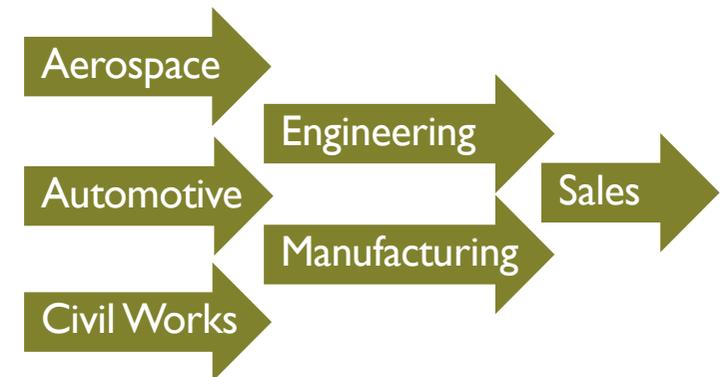
Acquisition spree

Acquired companies not fully integrated yet

- Policies standardization
- Common ERP: better information for decision making
- Transfer of knowledge between units
- Synergies & Best Practices



carburesGroup



2015 and beyond...

One common goal

A Group stronger than its separate units



1 CONSOLIDATION & SPECIALITATION

Deep professionalization to implement best practices in Corporate Government

A new management team of highly experienced executives committed to maintain 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'l (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)

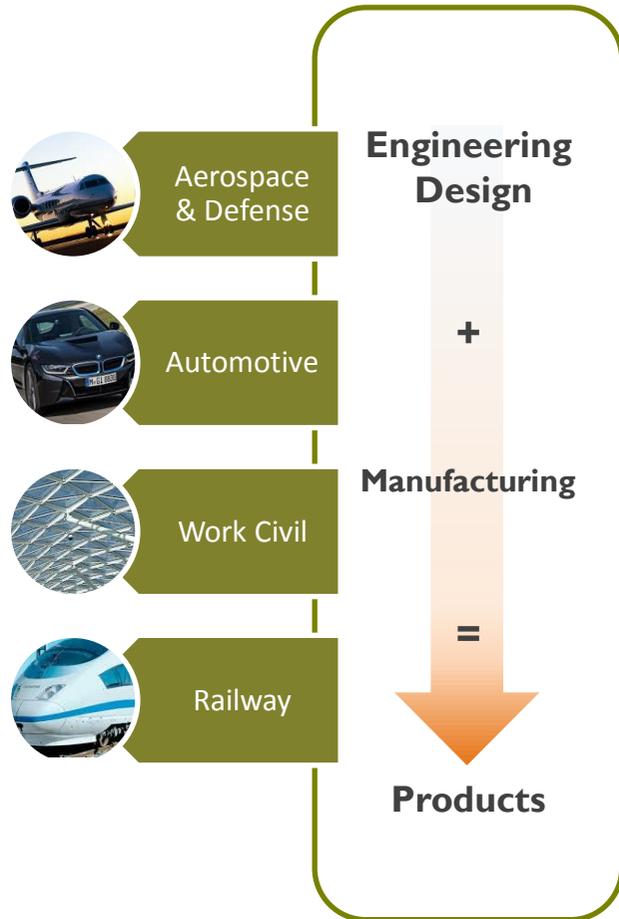
**Corporate
Controller**

Rafael Carrillo

Degree in Business Administration by Deusto University and MBA by IESE Business School.
Gamesa Eólica (6 years)
Acciona (12 years)



2 ADD VALUE CREATION: Focus Core Business & Synergies between sectors



Cross-industry exchange may increase the speed of industrialization

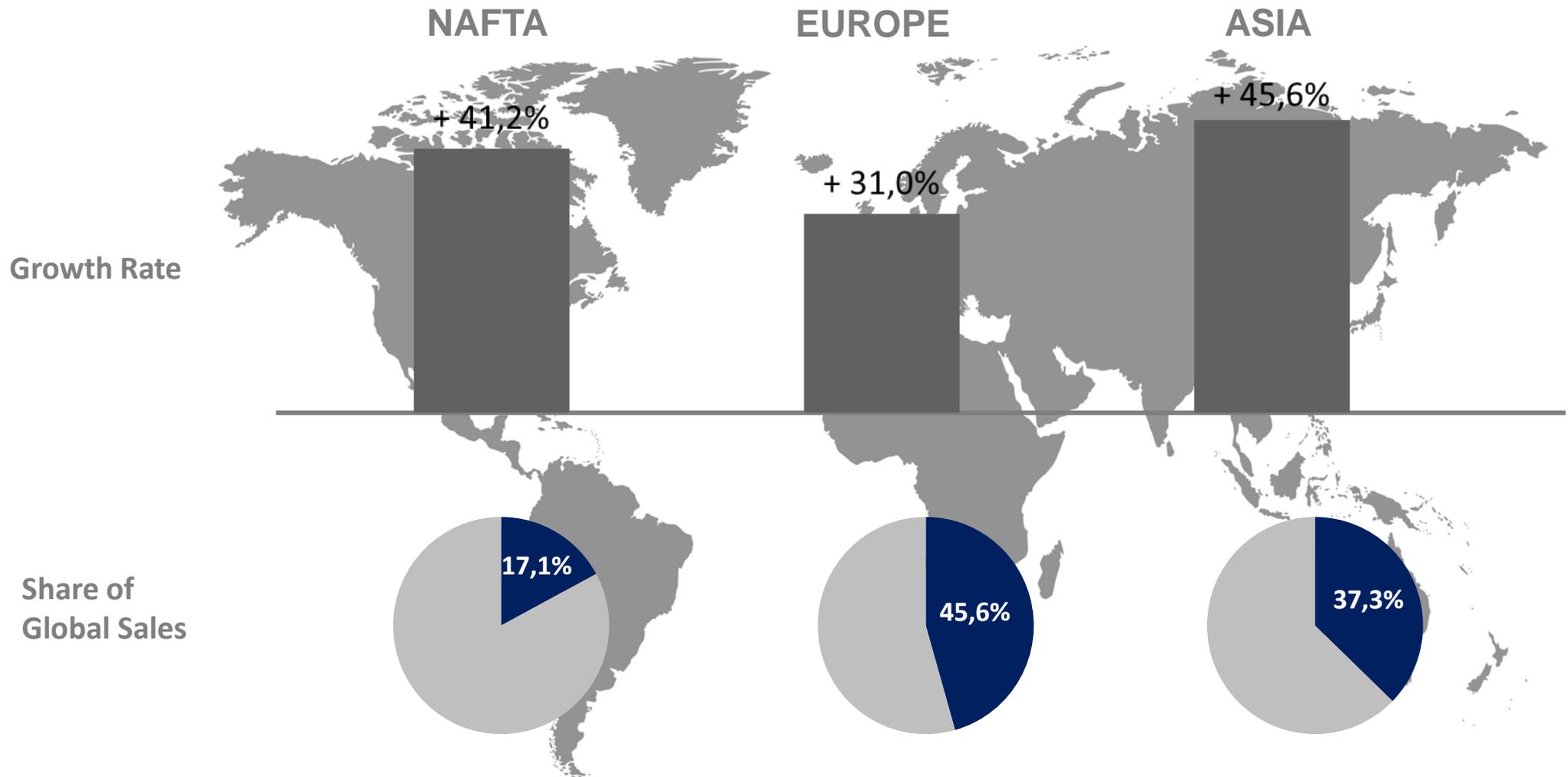
		Aviation	Wind	Auto
Engineering	Knowledge of composite design, crash simulation, recyclability, and material failure mechanisms is transferred from aviation to automotive, leading to fast learning in automotive			→
Raw materials	Advances in raw materials (e.g., resins) pushed by the automotive industry will be transferred back to wind and aviation, leading to potential cost or process improvements	←	←	
Pre-forming	New technologies in material placement and preforming in the automotive industry will generate new time and cost opportunities in wind and aviation (but, potentially, limited due to different requirements)	←	←	
Molding	Molding and heating technology from aviation will be partly transferred to wind industry (for parts with similar dimensions, but, e.g., no autoclave)	→		
Part forming	Advances in part-forming methods (e.g., RTM, VARI ¹) with cost and time advantages will continue to be transferred from automotive to aviation (e.g., wing of Bombardier C series, but not for fuselage)	←	←	
Assembly	Assembly technologies (e.g., bonding) are transferred from aviation to automotive, allowing quick learning curves as well as cost and time improvements	→		→

¹ Vacuum-assisted resin injection

SOURCE: McKinsey



3 GLOBALIZATION, MAIN GROWTH



Sales CARG 2014 vs 2017 (organic growth)



4 IMPROVEMENT FINANCIAL RATIOS

- ✓ Current backlog and recurring contracts represent a **revenue CAGR of 39%** from 2014 to 2017
- ✓ Our next 3 years we will be mainly focused on **organic growth** with selected acquisitions based on very specific opportunities already identified
- ✓ We will obtain **synergies** and **operational efficiencies** to stabilize EBITDA at 12-13%
- ✓ Margins will slightly decrease in 2017 due to the termination of Hengrui contract and investments showing returns in 2018 and afterwards
- ✓ Revenue upside based on additional business opportunities not considered

Income Statement 2015 - 2017

EUR '000	2015	2016	2017
Revenue	118.512	150.949	161.016
Cost of Sales	(54.491)	(70.096)	(72.359)
Net Margin	64.022	80.852	88.657
%	46,0%	46,4%	44,9%
Staff cost	(40.296)	(50.274)	(56.892)
Other net operating expenses	(10.984)	(10.969)	(11.806)
EBITDA	12.743	19.609	19.959
%	10,8%	13,0%	12,4%
Net Result	5.797	8.488	6.975



4 IMPROVEMENT FINANCIAL RATIOS

- ✓ Capex requirements for 2015-2017 amount to **€51 mio**
- ✓ Table shows breakdown by location and activity
- ✓ Basic investment needs are related to:
 - Completion of plant and facilities in Harbin, China, for production of aeronautical carbon fiber components (2015)
 - New facilities for TRC in Girona, Spain, for prototypes & engineering in composites (2015)
 - Completion of plant and facilities in Greenville, SC, USA, for production of aeronautical and automotive carbon fiber components (2016-2017)
 - New Plant in Illescas, Spain for production of aeronautical carbon fiber components (2017)
 - RMCP machines for the production of carbon fiber parts for automotive industry (2016-2017)

CAPEX

EUR '000	2015	2016	2017
By location			
Europe	4.759	15.357	15.398
NAFTA	1.200	3.100	8.820
China	2.205	-	-
Total	8.164	18.457	24.218
By activity			
Aerospace & Defence	3.495	7.857	3.848
Automotive	1.635	10.600	20.370
Others	3.034	-	-
Total	8.164	18.457	24.218



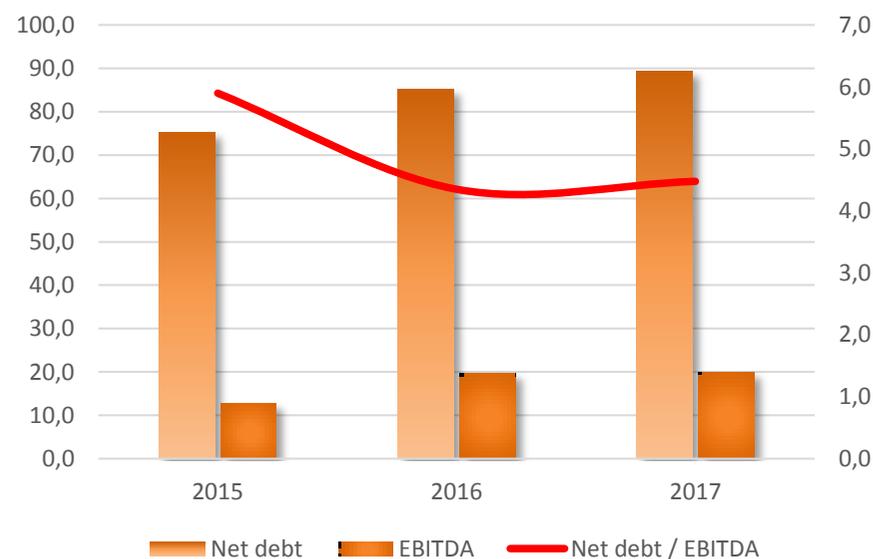
4 IMPROVEMENT FINANCIAL RATIOS

- ✓ Business Plan funding requirements amount to €60 mio over a three-year period (on a 50/50 debt/equity basis)
- ✓ Intended capitalization of credits amounting to €23 mio is considered in 2015
- ✓ Extensión of debts maturities.

Balance Sheet

EUR '000	2015	2016	2017
Tangible assets	37.177	50.712	68.859
Other fixed assets	77.097	75.733	75.023
Inventory	12.601	13.515	13.362
Accounts receivables	51.176	57.349	61.307
Cash and cash equivalents	8.158	4.173	2.195
Total assets	186.209	201.481	220.745
Equity	81.289	89.177	105.973
Minority shareholders	19	(179)	(66)
Debt	83.346	89.465	91.558
Other liabilities	21.555	23.018	23.280
Total Equity and Liabilities	186.209	201.481	220.745

Net Debt



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AEROSPACE MAIN STRATEGIC LINES

Sales & Engineering

- Technical Offices in Toulouse, Hamburg, Querétaro (2015)
- USA plant obtain Boeing & Airbus certifications (starting 2015)
- Querétaro Aerospace market introduction in Machinery

Manufacturing

- Harbin's Chinese market penetration (2015)
- Repair & Maintenance Unit at Tecnobahía (2015)
- RTM certification for Airbus at Tecnobahía (starting 2015)
- New plant 2017 in Mexico
- New location for Illescas' plant (2016)

Organization

- Improve the Program Management capacities
 - Focus in tooling management
 - Problem Solving
- Engineering & Lean Manufacturing linked throughout the entire production process

Carbures' Future Sales (1)

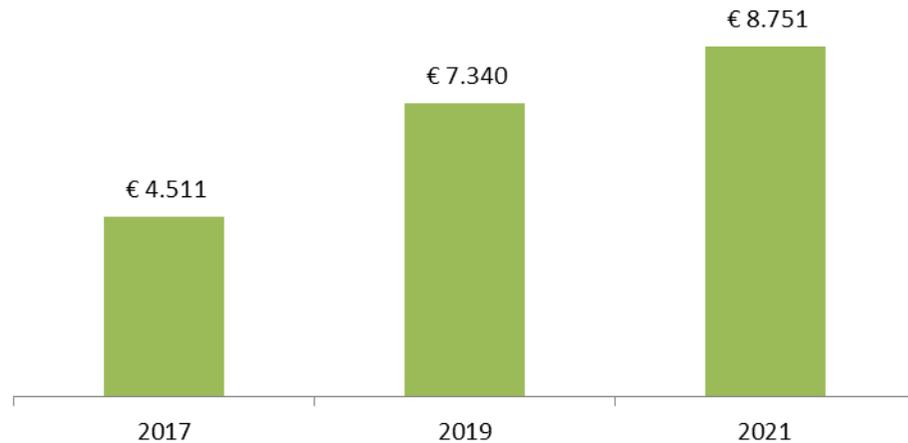
Product	Phase	Units in peak production year	Today CF content by plane(k€)	Total revenue on peak year
A380	Production Contract	27	286	7.7 Mill €
A350	Production Contract	150	222	33.4 Mill €
A320neo	Production Contract	550	22,4	12.3 Mill€
Others	Production Contract			2.4 Mill €

(1) Based on Customer Production Planning



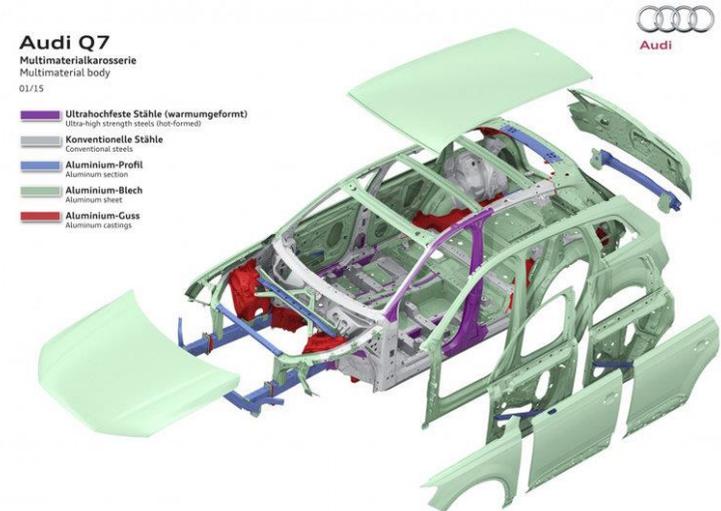
GLOBALY BODY & WHITE MARKET AROUND \$178 BILION ANNUAL

Potencial CF content k€



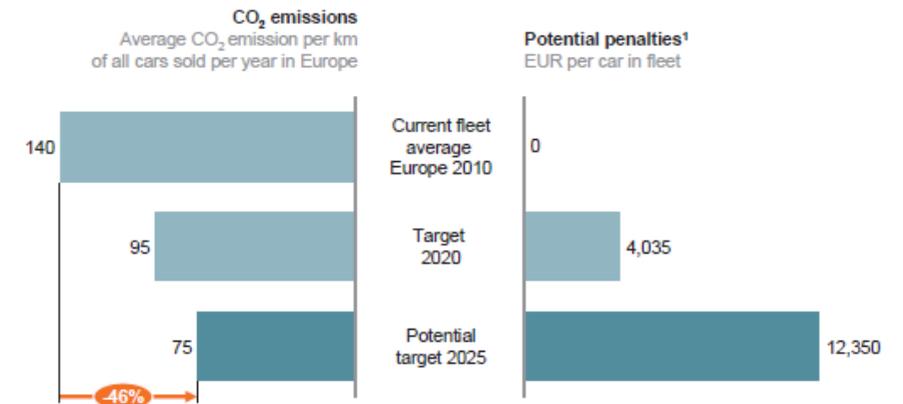
	2017	2019	2021
Worldwide Cars Production	97,9	102,6	105
Will not meet CO2 specs	23%	22%	22%
Potencial Market in Cars units (million)	22,56	22,94	22,79
Potencial CF content k€	4.511	7.340	8.751

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



Regulations in Europe force OEMs to significantly reduce CO₂ emissions

EXAMPLE EU



¹ Assumption: In comparison to today's average European CO₂ emission of 140 g CO₂ per km per car; penalties for exceeding CO₂ emissions in 2020: for 1st gram EUR 5, 2nd gram EUR 15, 3rd gram EUR 25, 4th gram and beyond EUR 95; penalties in 2025: EUR 190 for each gram
SOURCE: McKinsey



FUNDAMENTAL PRINCIPLES OF THE AUTOMOTIVE SECTOR:

F.S.S: Basic Concept
Full Service Supplier

1 Design for manufacturing: nearly 90% of projects designed by a Company are self-produced

2 Average Time-to-Market for mature products is two years.

4 years Time-to-Market required for carbon fiber product



3 Automotive Companies offer an EBITDA range of 8 – 12%.
New technical products offer higher margins: 15% is considered.

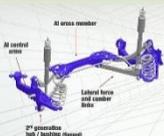
Sales (mill €) EBITDA %	2013	2012	2011
Gestamp	5,789 10.3	5,757 10.8	4,775 11.5
Grupo Antolín	2,128 11.2	2,087 10.7	1,876 11.1
CIE	1,760 13.6	1,646 13.6	1,840 12.7
Magna	34,835 8.1	30,837 7.8	28,748 6.2

Source: COMPANIES ANNUAL REPORTS



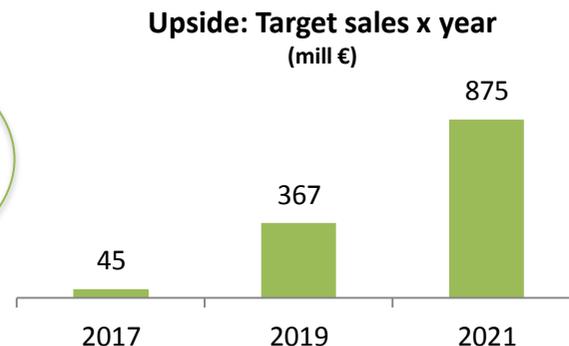
PUTTING THE PILLARS IN PLACE

Success in projects under development may bring additional sales...

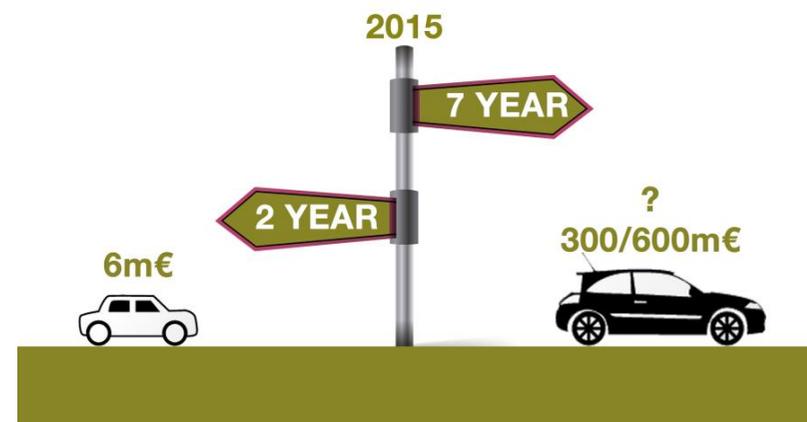
Product	Descr.	Phase	Milestones	Max Sales in peak year (1)
	Chassis structure	Development Contract	Prototype Mar 2015	€ 144 Mio
	Bezel Prototypes	Development Contract	Prototypes Feb 2015	€ 24 Mio
	Front Bumper and Hood	Quotation	Tech Review Mar 2015	€ 73 Mio
	Styling Parts	Quotation	Prototype Delivered Apr 2015 SOP Nov 2015	€ 18 Mio
	Chassis components	R&D Project	Development	TBC

(1) Potential Project Sales

Depending on Market acceptance of Carbon Fiber Components



	2017	2019	2021
Carbures Goal Market share	1%	5%	10%
Sales per year Carbures (mill €)	45,11	367,02	875,13
Price per unit delivered (€)	200	160	128
Number of parts	1	2	3



PUTTING THE PILLARS IN PLACE

Sales & Engineering

- Technical Offices in Barcelona, Munich, Detroit, Querétaro (2015)
- Chinese Project Support & Development (2015 -2017)
- Engineering Services focused in Mexico (2015)
- Diversification Assembly Lines products diversification

Manufacturing

- RMCP Process optimization (2015)
- Acquisition of machinery company (2015)
- Short Serial Production & Prototypes centralizations (2015)
- Burgo de Osma Maturity (2016)
- New Plant in USA (2017)

Organization

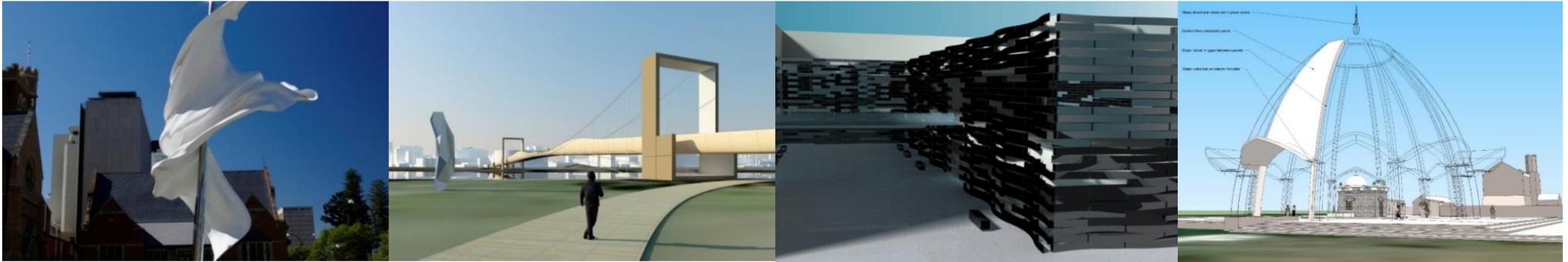
- Implementation and organizational development of automotive processes (2015)

RMCP

(Rapid Multi-injection Compression Process)

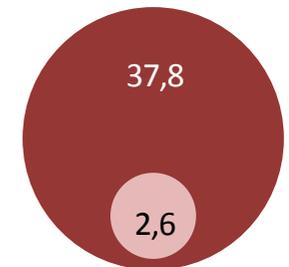


INFRASTRUCTURES MARKET

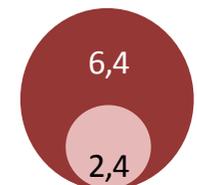


- ✓ The building sector and civil work is a very consolidated and mature market, with low demand of composites applications in structural elements.
- ✓ This demand must be generated through the development of innovative projects with the following requirements:
 - Lightweight structures.
 - Low maintenance and high durability.
 - Locations with difficult access.
 - Auxiliary mounting means with very high cost.
 - Sites with corrosion problems

Pipe & tanks



Eolic Energy



Structural materials market (steel, aluminum & composites)



Composite material market



INFRASTRUCTURES MARKET

Sales & Engineering

- Technical offices in China and USA.
- Product certifications
- Market research of CF and FRP uses in Civil works
- Agreements with leading construction companies
- Public tenders for ornamental structures

Manufacturing

- Optimization of production process for Dolphins
- Manufacturing Techniques in the mounting locations

Organization

- Innovate with constructive solutions and products through R+D Projects

Success in projects under development may bring additional sales...

Product	Desc.	Phase	Milestones	Project Sales x year(1)
	Dolphin	Product Optimization	Start of production Jul'15	5 Mill €
	Pedestrian bridge	Quotation	Tech Review March'2015	3 Mill €
	Beacon Lights	Product Definition and Quotation	Prototypes April'2015	1Mill €
	Ornamental structures	Quotation	Tech Review March'2015	1 Mill €

(1) Potential Project Sales



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...Current backlog and recurring contracts represent a **revenue CAGR of 39%** from 2014 to 2017

Building our Pillars on Organic Growth

✓ Aeronautics, Automotive, Infrastructures offer intensive synergies

Profitable & Healthy Company

✓ Investments & Business development to lead Carbures to the next level (new factories, new equipment, new projects,...)



Carbures is developing projects & preparing itself to become a big player in the mid-term and offer profitability over market average

Make your own scenario!



carburesGroup

THANK YOU

February 2015

Sources:

- Catalyst
- Proyecto Carbures Fase I y II: Análisis de oportunidades de negocio para mercados en alcances (KPMG)
- Lightweight heavy impact 2012 by

McKinsey&Company

