



November 16th 2016

Dear Investor,

We have great pleasure in providing you with latest update in relation to the progress we have made over the past months. You will also find attached an Annex with a brief synopsis of the current status of the Project.

The content outlined below has been composed following recent discussions and exchange of information with the various Authorities and Third Parties involved in the physical implementation of The Project, in order that we are in a position to make the final decisions on the structure of the partnership deal and so, therefore, propose an appropriate repayment plan to our investors.

EQUITY PARTNERS

As you are aware, we have been in protracted discussions, over a number of months, with several prospective equity partners, including one of the top government-owned global construction groups from Asia.

In our last update, given that these negotiations were already in a very advanced state, we mentioned our intention to give details of a proposed repayment plan during the fourth quarter of the year. Unfortunately, until these negotiations reach their final conclusion, which are due shortly, it is not possible to provide an exact date of when this might be other than to say it is anticipated to be in the very

near future. Meanwhile, this group has reiterated that they regard the acquisition of this Project of paramount importance and part of their long-term business strategy. As proof of their interest in this industry sector, the Group has already created a brand new logistics division here in Spain.

We are but one link in a long chain and, despite our very best efforts to progress matters more quickly, we can only move at a pace determined by these other third parties, in much the same way that a house sale can only proceed as quickly as mortgage companies, surveyors, solicitors and other associated entities dictate. As you would expect, the size and complexity of this Project is far greater than that involved in the sale of a single residential dwelling, so the guidelines we provide should not be taken too literally but merely give an indication of our most accurate forecast at the time we go to press.

As part of the final stages of those negotiations mentioned above, we recently received a visit, over 2 weeks, from a large delegation from this aforementioned group with the purpose of determining the final structure of the partnership deal as well as considering the technical aspects prior to the implementation of the Project. The visit by this group, which involved a team of 9 delegates, included: the investment manager who has the mandate to give the final approval to all the international projects performed by this group; various other investment advisers; logistics specialists and engineers.

During that fortnight, these delegates were focused upon the following aspects:

- a) Holding extensive talks with the relevant town hall and regional government representatives to discuss the finer details such as motorway exit connections into the first phase of the logistics park and the electricity substation requirements for the project as a whole.

- b) Meeting senior officials of both local and regional governments to discuss future company initiatives and details of the final implementation.
- c) Visiting various established logistics and commercial projects in Spain, which are already fully operational, so that they could make comparisons in various elements as part of their due diligence.
- d) Amongst others, visiting the port authorities in Barcelona and Valencia, which have especially important strategic communication links with our site and that of the future Project.
- e) Having undertaking extensive due diligence within the technical and commercial market aspects of this acquisition, they proceeded to meet with the independent urban planning specialists who are responsible for the implementation of the *Master Town Plan of Almansa*.
- f) Having been completely satisfied with all of the information they had previously gathered, their visit culminated in a final meeting with the Company involving the technical terms of the financial partnership as well as the method of execution and implementation of processes that would need to be adopted.

Since their departure, various technical departments have been in constant communication with the Company requesting additional documentation, in order to finalize the detailed report for their investment department.

REPAYMENT PROCESS

Quite separate from the many global economic and political parameters which have impacted greatly upon the Project over the years, this type of deal is in itself highly complex; even more so when they are performed by companies under government control that have many more internal processes than those exclusively under the control of private capital, all of which has affected the rate of progress of these negotiations.

Nonetheless, we are pleased to inform you that we received a communication only a few days ago from the European representative of the Asian group, stating that, with their reports and due diligence now virtually finalised, details of their interest in the Project would be forthcoming within a very short period of time.

Please note that we are not waiting for whether a proposal will be forthcoming, because we have already received prior written communication to this effect, but more upon the exact terms and conditions that will, consequently, determine the details involved in the repayment plan to our investors, which remains our priority.

NEXT STEPS

In reference to the above, we have been working tirelessly over many months on the required documentation, analysing the tax implications, reviewing the structure and procedural requirements that will need to be adopted from a legal perspective.

Our primary objective, however, has been focused upon converting the high asset value of the Project into liquid funds to provide you with a satisfactory resolution and exit to your investment. And so, in this respect, it has been our main priority to first

attract the initial interest of prospective third party purchasers and then, subsequently, to hold negotiations with them.

Rather than be wholly reliant on the outcome of negotiations with just a single entity such as the Asian group, the Company has also been working independently upon alternatives. It has always been our intention to wait for a more appropriate moment, after the public presentation of the Town Plan that incorporates our Project, scheduled for next month (i.e. December 2016), before instigating a more effective marketing and promotion campaign that would attract much greater interest from other prospective purchasers in the Project.

So in tandem with the aforementioned ongoing negotiations, the Company has also been working diligently to conclude some essential technical planning details regarding the incorporation of the Project within the Town Plan, which must be concluded before Christmas 2016, in order that it may take advantage of the current window of opportunity in the planning process. If this work is completed within the timelines indicated, it would enable the Company (and hence any potential equity partner) to facilitate for the commencement of the construction phase in 2017, which is the most valuable consideration and commercial incentive for any prospective buyer.

Rather than being wholly reliant upon the outcome of ongoing negotiations with the Asian group, or in any way prejudicing their outcome, the completion of these technical plans will create additional opportunities to initiate discussions with more potential parties thereby enhancing greatly the spectrum of options that would be available to materialize the return of funds to our investors.

We are fully aware of the tremendous patience our investors have shown and the frustrations endured through this protracted process, but we wanted to bring to your

attention just some of the everyday issues we have faced throughout this lengthy planning and development journey.

To illustrate the comparative effectiveness of the work undertaken by our Company to date, we should like to draw your attention to another proposed logistics project, of similar dimensions to ours (but without the same level of potential), located in Southern Spain, promoted by the regional government of Andalusia, which has so far taken ten years, compared to our seven, to reach the same stage of the administrative process.

As I am sure you will appreciate, any unnecessary delay is of no benefit to us in particular, but there are simply too many circumstances and decisions that are beyond our direct control. Just as you all have been doing, we also have had to be very patient in waiting for the crucial moment in which the added value we have created in the Project over the past years may be transformed into hard cash to cover the interests of all participants.

Whilst the vast majority of our investors have fully comprehended the challenging position we have faced, and have endeavoured to overcome, to the benefit of everyone, there has, unfortunately, been a very small minority with the sole intention of undermining the entire process in expressing publicly their completely ludicrous accusations and by adopting a totally absurd and self-destructive approach. After all, without the success of the Project, we will not be in a position to honour all of the liabilities to our investors.

The far easier option would have been to put the Project into liquidation, as has been the case with many other companies, both big and small, throughout recent times, whenever they found themselves in a difficult position, following the impact of the global economic downturn that arose in the wake of financial banking and credit

liquidity crisis back in 2008. It has never been our aim to let down our investors even under the most challenging of circumstances.

Rest assured that whilst we will continue to focus every effort within our scope to ensure a successful outcome is achieved, to the mutual benefit of everyone, we also require you to sustain your confidence level of support, both in the Company and in the Project, in this final phase of our work.

All the information has been provided with the greatest integrity and transparency in relation to the current situation of the Project and the real possibilities of returning your investment, something we are sure to achieve with your support.

Thank you once again for your continued patience and support and we will, of course, keep you fully informed on the progress and development of our ongoing negotiations with third parties which we sincerely hope will be concluded in the not too distant future.

Yours sincerely,



Eduardo Martín
Managing Director

ANNEX

APPENDIX

CURRENT PLANNING POSITION OF THE PROJECT

The Project is destined to become one of Spain's most important logistics hubs. Its physical implementation could start within next year 2017 once the necessary internal technical detailed plans have been drafted, as it is projected for the next months.

PLANNING

a) Process

On 29 December 2015, under Article 36.1 of TRLOTAU and Article 134 of the RP, the Regional Commission of Planning and Urbanism of Toledo, forwarded the Certificate of Agreement unanimously adopted at the meeting of 22 December 2015, regarding the Informative Document for the final approval of the General Town Plan Almansa, which incorporates the Project.

The Certificate, beyond specific matters that have to be reviewed and corrected according to technical considerations made by the Commission, raises no objection to the Territorial Model of the General Town Plan.

b) Status

In accordance with the determinations of both the applicable Law (TRLOTAU and the Law 4/2007 of Environmental Evaluation), the process of processing and approval the Project has joined the Town Urban Plan, through the

following phases:

1. Elaboration of the Start-up Document and referral to the Department of Agriculture and Environment.
2. Process of sectorial consultations carried out by the Ministry of Agriculture and Environment
3. Elaboration by the cited Department of the Document of Reference and referral to the municipality on the basis of which must develop the City Council the sustainability report of the POM
4. Elaboration by the City Council of the Advance Document of the POM and of the Sustainability Report.
5. Remission of the Advance Document of the POM and of the Sustainability Report to Environment for its approval and opening of inter-administrative and public consultation process.
6. Analysis of suggestions, comments and sectorial reports.
7. Elaboration of the Document of the POM for the initial approval by the City Council.
8. Remission of the document of the POM approved by the City Council to the Ministry of Territory and Urbanism for information and conciliation of documentation by the Provincial Commission of Urbanism
9. Incorporation of the determinations of the CPU to the POM and elaboration of the Consolidated Document for its immediate public

exhibition, including the conditions of the Approval Agreement.

c) Processing

- Now in phase 10: Milestones 1 to 9 totally executed.

- This means that, after the prior conclusion of ongoing deals with third parties and the completion detailed planning works to be conducted internally, the physical implementation of the Project could technically start in 2017.

BRIEF RESUME OF MAIN WORKS CARRIED OUT TO DATE

SOCIOLOGICAL ANALYSIS

1. Evolution of the population and socio-economic indicators of the area.
2. Perception of the Project impact in the area
3. The Project impulse draft proposal.

AGRICULTURAL AND RURAL ENVIRONMENT DEVELOPMENT

1. Descriptive report and economic study of the Property.
2. Current agronomic, agricultural and hunting applications research.

SOIL SCIENCE/ VITICULTURE

1. Climate, soil and ordination survey for grape cultivation.
2. Reconstruction proposal for existing vineyards.

HISTORICAL AND ARTISTIC HERITAGE

1. Archaeological research of the estate.
2. Historical research of the estate from the 18th Century up until the present day.
3. Historical contextualization.

LANDSCAPING

1. Project's scenic landscape management proposal.
2. Landscape analysis.

ENVIRONMENTAL IMPACT SURVEY/ WATER RESOURCES

1. Environmental comprehensive survey for the sustainable development of the Project.
2. The estate and surrounding lands hydrogeological survey.

COMMUNICATION AND AUTOMATION SYSTEMS

1. Smart Digital Cities Project. Security and control.
2. Telecommunications and WIFI fibre optics network Project.

TECHNOLOGY PARK

1. Infrastructure and construction consultancy

MULTIMEDIA

1. Property net for the generation of virtual 3D models

SUSTAINABLE ENERGY SUPPLIES

1. Preliminary study of alternatives for the sustainable energy supplies development.
2. Dimensioning for an urban nucleus supply based on solar photovoltaic use.

PLANNING AND ARCHITECTURE

1. Planimetric drawing up, Photography and descriptive certificate of the existing buildings of the Property.
2. Urban report to classify and detail land's uses.
3. Context and legal and planning rules of application in the Property.
4. Plan of conservation, protection, and development of natural, scenic landscape, historical, ethnological, agricultural and touristic resources

TOPOGRAPHY, ORTHOPHOGRAPHY AND CARTOGRAPHY

1. Topographic survey of the estate.
2. Boundary delimitation proposal of estate's land and public forest.
3. Digital photogrammetric flight.
4. General orthophoto of the property.
5. DTM (Digital Images DXF & DWG)
6. 3D scene

INFRASTRUCTURES

1. Electrical infrastructures requirements report.
2. Telecommunication and infrastructures requirements report.
3. Gas supply infrastructures requirements report

LEGAL ANALYSIS

1. Counselling and representation.
2. Economic and legal viability of the business proposal.
3. Report of municipal economic sustainability.

ECONOMICAL AND FINANCIAL ANALYSIS

1. Business scenarios
2. Project's economic and financial analysis.

LOGISTICS POTENTIAL

1. International and local context
2. Macro and micro magnitudes with impact on the Project
3. Analysis of potential business scenarios
4. Logistics potential report