

March 16th 2016

Dear Investor,

We are pleased to be writing to you with a further update on your investment.

The end of 2015 and first months of 2016 have involved hard and intense works, which have resulted in some key and very positive advances for the projected Logistical Hub, Technology and Business Park (The Project).

Amongst the targets reached during the last few months, we wish to take this opportunity of highlighting one of the more important milestones as follows:

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.

In this context, since last year our efforts have been focused on converting the generated value into liquid funds to give you a satisfactory resolution and exit to your investment. An important strategic decision was taken in order to achieve this, and as a consequence of it, the current prospects of the different trade negotiations, are very positive and point to a satisfactory conclusion.

The first positive results have been achieved and we are proud to announce that a very large international construction group from Asia has already provided a Letter of Intention regarding the acquisition of equity in the Project.

This company is not the only source we have been working with to ensure an exit for our Investors, but it is an important first step in the success of the Project.

Looking at the near future and for the first time since 2014, when we faced a delicate and unpredictable situation that put the Project at risk, we are ready to propose a realistic scenario for reimbursement of investments to those of you who have been temporarily postponed.

The same reasons now allow us to be optimistic about the timely return of ongoing investments, whose maturity is expected to be in the period of time indicated herein below.

The approval mentioned at the beginning of this letter means that prior to summertime the Consolidated Text of The General Town Plan of Almansa would go through the Public Information mechanism for two months prior to its implementation.

These circumstances will push forward the consolidation of the on-going deals, in parallel to the maturity of the sources we have been working on to repay our Investors, which are independent of the implementation of the Project in the General Town Plan.

On this basis we confirm the 4th quarter 2016 as the period we start repayment to our Investors.



To elaborate on all information provided to date, and following the request of some of you, we would like go through individual but repetitive questions that have arisen over the last few months regarding the future of the Project, level of security and effectiveness of the compromised repayment of all investments.

Also, we will take this opportunity to identify and discuss several false and unjustified rumours about the Project.

Please note that those rumours come from a very small group of individuals who have been more interested in hindering progress and consequently delaying the resolution for themselves.

These individuals keep describing as facts, what are merely comments (mostly from third parties with no involvement in the Project) without any parallel, reliable and verifiable evidence or documentary support.

Based on those supposed "facts", the mentioned individuals have questioned a Project that has a real and strong background, with more than eight years of hard work carried out with solid documentation demonstrable at any venue and time including in particular, the judicial system if appropriate.

The following are the most relevant we have received and thanks go out to some of our Investors who have kindly made us aware of them over the last few months:

ANSWERS TO FALSE RUMOURS AROUND THE PROJECT

“There is no land and no works supporting the Project. It does not exist.”

The Company owns and controls a unique plot in a most strategic and unrivalled location, directly complimented by leading transport links, whilst its privileged position offers unrivalled major rail, road, air and seaport links connecting North Africa and Europe with the rest of the world.

The development site acquisition process started at the end of 2006 and was formally completed and notarized in February 2008. The development site was acquired and paid for in full and is 100% owned by the company, which has since undergone a major planning reclassification, transforming it into a strategic logistics hub, which will be unrivalled in Southern Europe.

More than 8 years of technical, administrative and legal preparation has already been invested in bringing The Project to its current final stages of planning, with the collaboration of more than 20 professional teams in the same corresponding number of different technical areas.

The Project area is incorporated within the new Town Master Plan. The development of this avant-garde Logistical Hub, Tertiary-Services, Technology and Business Park covers 1.060 acres (4,3M m²) of the total area of the site fully owned and registered (1.850 acres, 7,4M m²).

Significantly adding value to the Project is a wide range of logistics support services including: secure track and trace distribution; automated warehousing; industrial Big Data solutions; intelligent ICT and telematics solutions; third party (3PL) and last mile logistics solutions.

The project location provides an unrivalled focal point for many activities relating to logistics. The advanced infrastructure combined with the various transport links available provides a range of transportation alternatives to satisfy the increasing demand of an expanding global supply chain industry.

“Total assets held in Spain were €11,000.”

The registered capital of Martin & Clews alone is €500,000. On top of this, the official valuation of the land in the Project area of more than 4M m² (100% our property and under our control) shows an actual value of €30.85 /m². It is unacceptable that somebody makes accusations in this way, without any documentary evidence.

“The Project is a scam and all funds have been transferred out of the European Union.”

Scammers do not work hard or maintain offices operational for more than 8 years dedicated to the Project.

They also are not looking for results in the planning status and huge added value generated during this period of time. Scammers run and disappear without wasting time sending updates to anybody. Obviously this is not our case.

The statement is fake and shameful. Not one single euro has ever been transferred out of Spain to elude our obligations.

It is exactly the contrary, and because funds have been correctly applied, the reality today is represented and proven by the previously mentioned value of more than four million square meters of urban reclassified land owned in the Project area.

“Two investors threatened to sue MC in the courts and have since achieved the immediate repayment of their investment.”

The immediate repayment of their investment never happened and will never happen.

We have always had a clear policy on the correct treatment of all Investors, and we will not allow any Investor to “jump the queue” for repayment under any circumstances. Each Investor will be repaid in the order of sequence of contracts signed.

As a consequence, we are obliged to respond and undertake immediately, all legal actions that can legitimately be adopted against any type of threat or action, which could harm the Project, protecting its successful outcome and the interest of our Investors, claiming and passing on thereafter all damages, and economic losses, which anyone could produce, until we obtain complete compensation.

As a result of The Company keeping the roadmap's path explained in our updates, our successful achievements, which have brought us to this current planning stage, and with the exception of a very few people, has resulted in all of our Investors giving us their support and faith allowing us to achieve the established targets.

At this point, in order to honour all of our commitments scrupulously without exception, we realise it is more important than ever, to keep the same course and direction and not deviate under pressure.

“A Spanish lawyer sued Martin Clews and has passed over a file to the Spanish government for money laundering and all their accounts have been seized. Case in the Spanish court ruled in his favour.”

Firstly, we can openly state in this letter that no accounts have ever been seized from us in any way. Secondly, the complaint placed against us, filed some months ago with the Spanish Police by a lawyer, has been closed recently. He was using threats and trying to blackmail us, with the intent to obtain preferential repayment and individual satisfaction for his client. The result was that after all relevant enquiries and checks were carried out; the Police due to a lack of any evidence or sufficient legal cause whatsoever has closed the case.

If we had agreed to their blackmail, he offered to refrain from filing the complaint. That was the offer which we of course turned down, and as a further strategy to put the Company under pressure, with the sole intention of forcing an amicable arrangement prior to going to court, the complaint was loaded further by them accusing M&C of fraud, money laundering and other false accusations. It resulted in them failing completely as their complaint was recently “entirely rejected” once the professional conduct and stringent procedures of our Company were checked thoroughly by the Antifraud Police. Of course we have a copy of the paperwork rejecting all the accusations, and the documented evidence of all their disjointed arguments, deplorable lies and false reports.

As a result of this, they themselves are the ones in serious trouble now for filing a false, unjustified and highly damaging legal claim against the Project, and the general interest of our Investors. In response to the fake complaint and its official closing, the Company is currently lodging criminal claims against the lawyer and client, along with a claim for civil damages caused.

The following is a collection of the most relevant requests of information that we repeatedly received from different Investors, which we have the pleasure to clarify in this update, for all of you who could have the same questions:

FREQUENTLY ASKED QUESTIONS

“What is the reason why there has been a delay in the expected date of return for my investment?”

Late 2013, a series of unexpected external market changes suddenly prevented the flow of funding that had been previously pledged to The Company.

In May 2014 we sent an update communicating the difficult position of the Company as a result of those unforeseen circumstances, beyond our control that undermined and put into jeopardy all our efforts over the previous years, forcing us to seriously consider the possibility of entering into voluntary liquidation.

Thanks to your continuous support we were able to avoid such drastic action and continue on our original path up to date.

“Would it not have been better if the Project had been put into administration?”

In our humble opinion the worst thing that could happen is for the Project to be placed into administration, as this would mean strangers would be in charge of disposing of the asset. Whilst we understand they would specialise in the administration process itself, it would not necessarily mean they have the appropriate technical or professional profile, and the same level of interest, experience and knowledge in the Project as the actual team.

We must consider therefore, who is in the best position to find a prospective buyer; is it the Company team, with their years of knowledge and expertise in dealing with the Project, or some faceless firm of administrators who have no previous history or empathy with it? In short, an Investor must ask himself, who is the most likely party to obtain the fastest sale, at the best price, the Company or some stranger to the Project?

History shows that companies in administration rarely attain anywhere near the true value when sold, that could be achieved under normal conditions.

A lot of pressure was placed on the Company and management team at the beginning of 2014 forcing us to consider stepping down, as the prospects of an effective return of funds looked very bleak indeed.

We subsequently decided to avoid that route at all cost, as we strongly believe we had a far better chance of a successful outcome working hard in the current direction, than if the Company were to be put into the hands of strangers, usually more interested in finalising the very long, dense and

complex process of administration, than in covering properly the interests of the Investors and third parties involved.

The Company owns an asset that has increased significantly in value over recent years as the planning process has progressed to its current status today.

Our work is focused now on transforming that value into liquid, as ultimately the Investors can only be repaid when part, or all, of this asset is sold onto the end-purchaser as part of the construction phase.

“What level of security supports my investment?”

The value of the Company’s assets has increased hugely over recent years, to the point where it significantly exceeds all of its liabilities by some 300% as a result of its actual development planning status.

Current independent valuations carried out for the total Project area, has more than sufficient value on owned land to act as asset security.

This was our initial objective in the restructuring process, an objective that today is a reality, which provides a security for the benefit of all our clients.

“Who did the market report an independent valuation mentioned in the updates?”

An independent valuation and a detailed market study have been performed in order to obtain an internal reference document for making

important decisions regarding the definition of the final model and physical implementation of the Project.

For this purpose, we selected a team of several independent and highly acclaimed industry experts to value the Project.

The three main professionals involved are:

1. (S.V) The Principal Investigator of the most important international Transport Research Group in Spain, Master of Engineering and Logistics at MIT (Massachusetts Institute of Technology).
2. (J.T) An architect expert in planning, urban advice and management rating, Master's Degree in real estate valuations. With more than 36 years of experience in this profession he is a highly reputable professional, editor of 8 Urban Town Plans, author of several well know books of reference on the subject of real estate valuation, as well as a guest speaker at numerous conferences and seminars, as well as associate professor on his technical discipline in two different Universities.
3. (M.L) Technical Architect and Master of Real Estate Valuations (whose information was previously provided to you). As an experienced expert in the real estate market his valuation work includes hotels, residential, singular buildings, land under planning, commercial and industrial parks. Since 1995 he has worked for the most important valuation companies in Spain

“What is the experience of the Developer to deliver such a huge and complex Project?”

The Principles of the Developer and their Strategic Partners comprise of a senior team of global professionals drawn from disciplines covering Law, Finance, Engineering, Architecture, Marketing and Construction.

As an experienced and specialised development team, they collaborate with internationally renowned designers and share many beneficial alliances with various marketing partners and industry leaders, and so in combination affording us the opportunity of bringing the proper localised team of specialised disciplines to each sector of the Project.

These enhancements create in turn a solid foundation to ensure outstanding returns are achievable within this unique Project.

The Company Directors and shareholders have over 40 years combined experience within the real estate sectors in Spain, Mexico and South Africa. They were also part of the board of the largest volume selling estate agency in Europe during the late 90’s and early 2000’s, with the responsibility of supervising a team of more than 400 employees as well as being involved in the coordination of more than 36 independent technical, legal and financial feasibility specialists who successfully carried out the financing and project management of various developments for the concept design, sales and management of more than 2,000 real estate units.

“How could the current political and economic climate affect the Project?”

Global economic growth is slow. However throughout 2015, the economy in the European Union grew by 1.5%, compared with 0.9% the previous year. The latest information on economic developments in the euro area confirms that recovery continues at a moderate pace, in a context marked by growing uncertainty. According to the provisional estimate published by Eurostat, GDP recorded a quarterly growth of 0.3% in the last quarter of 2015, as observed in the previous quarter. By country, France and Italy declined the pace of economic activity achieved in Germany and Spain.

Regarding Spain in particular, the aforementioned gradual economic recovery invites us to think that the change we have seen in 2015 will be increased in 2016 as the Spanish economy is estimated to grow around 2.7% in 2016 and 2017, a period in which nearly one million jobs will be created, according to the forecast reflecting the situation in Spain report by BBVA Research. However, according to the same experts, increased political uncertainty concerning the election of the new government in Spain could undermine growth between 0.2 and 0.5 percentage points from now until 2017.

“Why should the Project be attractive to international Groups / Funds and which ones is its target?”

Regarding the specific market expectations for the Project, the sale of industrial land in recent months has rebounded strongly in Spain, in particular, in the area of influence of the Project where average sale prices of developable land with fully serviced infrastructure stand at 120 euros per square meter.

Reaffirming the above, some of the most important international real estate consultants such as CBRE, have warned that there is little availability of high quality industrial land, which is what investment funds are currently seeking. "The forecast this year is to increase the interest of international and SOCIMIs funds (REITs listed on the stock exchange), in particularly looking to acquire Logistics Platforms."

"Why is it stated that the Project can benefit from a unique geographical location as a Strategic Hub?"

In the above mentioned context it is important to note that the positioning of leading countries within the EU is changing as certain areas of the South of Europe have continued to become more influential over recent years.

Suez Canal is producing a huge impact on the above mentioned tendency as in 2010 they increased the permissible draft to 66 ft., enabling it to accommodate 61.2% of the global Tanker Fleet, 92.7 % of the Bulk Carrier Fleet and 100 % of the Container Ships & Other Ships. This avoids the necessity to sail around Africa reducing both the distance and journey time to access the most important ports in Europe (as for example the Port of Rotterdam, saving 8,900 kilometres and 40% of the journey time). Another phase of expansion of the Canal was achieved in August 2015 increasing the traffic handled by the Canal, allowing for two-way traffic along part of the route, as well as for larger vessels overall. The 72km stretch of new channel and bypasses will allow for 97 ships a day by 2023 (up from 49) and 11-hour southbound transit (down from 18) will increase systematically the original 8% of global sea-borne trade handled by the Canal.

Said growth and territorial cohesion plus the location in the heart of the Mediterranean provide certain areas in what is known as the European Diagonal with better opportunities.

This is the particular case of Spain, largely due to its privileged relationship with the Arab world and Latin America.

Throughout the national territory, owing to its unique geographical location, the area of the Project has been widely identified as the ideal location to fulfil current and future market demands as a logistical hub servicing both the Centre, South and Eastern regions of Spain.

“What is the Exit Strategy?”

As explained earlier, the unique concept of The Project and its strategic location makes it a very attractive proposition for investment funds and for first class logistics operators to purchase not just the site or part of it but the development company, which holds it as an asset.

Equity shareholding is being offered to the right partner and corresponding negotiations with the aforementioned groups are currently being carried out, as we have already communicated in previous updates.

The sale of the equity shareholding will provide a great deal of liquidity, which will be used to repay all investments, as the total repayment equates to considerably less than the land sale with a more than adequate buffer in place.

The Company is also exploring and working in parallel on other sources in order to not rely on just one alternative.

“The Company was initially committed to repay in 2015 but it was delayed. Why should it be different in the near future?”

That was our intention in 2015, but it was a completely different scenario than the one we have now in 2016. Whilst things were moving forward in a positive way, many of the things now achieved were expected to happen in 2015, most of these were beyond our control as they were part of the Administrative process of approval of the General Town Plan of Almansa, which incorporates the Project area as a Logistical Hub, Technology and Business Park.

Amongst these milestones, one of the most important is that of the unanimous approval of the Informative Document (December 2015) mentioned at the beginning of this letter regarding the implementation of the General Town Plan of Almansa. It allows us to negotiate potential deals with third parties on the basis of certain periods of time to start the physical construction and implementation of the Project.

In summary, the first period proposed to start the repayment of the investments was given in a scenario of milestones to come, which had a delay over the initial expected dates to be completed.

Now the situation is completely different as we can make our projections on the basis of those milestones already achieved.



Corporate Restructuring Process

Finally, we would like to express once again our commitment to honour all obligations this Company has contracted with you, and trust you remain confident in giving us the opportunity to conclude our work.

Yours sincerely,



Eduardo Martín
Managing Director