



The Annual General Shareholders' Meeting established a quorum of 65% and all suggested proposals have been passed with a prevailing majority

Talgo shareholders support the company's international strategy

- The Annual General Shareholders' Meeting approves Carlos Palacio and José María Oriol's management to lead the Company
- The President has highlighted the progress of industrial projects underway whilst the CEO presented the group's strong 2015 results to shareholders

Madrid, 4th May 2016

Today, Talgo held its Annual General Shareholders' Meeting at its headquarters in Las Matas, Madrid, where the President of the Group, Carlos Palacio Oriol, and the CEO, José María Oriol Fabra, received the support of the majority of the company's shareholders to lead the company.

In the General Shareholder's Meeting, which was attended by 65% of Talgo's shareholders, all suggested proposals were passed with a prevailing majority.

During his intervention to the shareholders, Talgo's president, Carlos Palacio, highlighted the progress of the Company's industrial projects, whilst the CEO, José María Oriol, emphasised its good results for the 2015 tax year, achieved thanks to a sustainable and flexible business model, the quality of Talgo's long-term order intake and the use of its unique technology in a global market that is becoming more and more competitive.

Based on these three pillars, the Company executed a strategy, in which it continues to prioritise the consolidation of its international presence -76.14% of its current order intake is based outside of Spain, mainly in Saudi Arabia and Kazakhstan- for which, according to Carlos Palacio, "Talgo has developed a specific commercial strategy".

The CEO of Talgo, José María Oriol, went over the results obtained during the 2015 tax year for shareholders, in which the Company registered a net profit of 59.6 million euros, 54.8% more than the previous tax year, and a gross operating profit (adjusted Ebitda) of 120.5 million euros, an increase of 33.8% compared to 2014.

This significant growth is due to the increase in manufacturing and maintenance activities, which are a result of the strong quality of its order intake and controlled expenditures. In the future, the Company will continue to strengthen its internationalisation process, which began more than two decades ago.



Regarding commercial perspectives for the 2016-2020 period, as presented last February, Talgo has identified potential projects of between 9 and 13 billion euros in markets where Talgo's experience and distinctive technology would bring a clear competitive advantage.

"In our long-term plans, Talgo considers it a priority to continue strengthening its order intake in the next four years with projects that guarantee the sustainability of our business model. We will continue to be loyal to our principle of selectivity in order to guarantee the quality of our portfolio. We will therefore maintain our commitment to sustainable growth with our shareholders and employees," said the President of the Company.

During his intervention at the General Shareholders' Meeting, the President addressed the fact that the amount of new projects registered during the year 2015 was lower than expected due to the delays from possible tenders. However, 75.8% of new allocations in 2015 corresponded to maintenance services, which bring budgetary stability as they guarantee the Company's long-term cash flow.

Reference to the fulfilment of corporate governance

Talgo has continued to advance towards excellence with regards to its corporate governance throughout the last tax year. Regarding the Company's corporate governance, Carlos Palacio spoke about the Annual Corporate Governance Report for 2015, which reflects a high observance of the recommendations for Best Practices in Corporate Governance in relation to the structure of the property and administration of the Company, regulations of the Annual General Shareholders' Meeting, information procedures for linked operations, its control and risk management system, as well as the distribution processes of financial information.

In the words of the Talgo President: "Talgo has always had the fulfilment of high ethical standards in its corporate governance and company policy as one of its main priorities. It is a commitment that the Board of Directors and the whole company put into practice on a daily basis, with shareholders as well as with our employees, clients and suppliers".

Amongst the main corporate governance changes in 2015 was the naming of Juan José Nárdiz Amurrio as independent member of the Board, which was confirmed in this General Shareholders' Meeting. Amurrio was welcomed by the President as he is to fill the position left by Christian Burkhard after Burkhard reached the maximum age limit permitted to form part of the governing body, according to Talgo's Regulatory Body. Following the approval of Nárdiz Amurrio as independent member, the Board of Directors is made up of 13 members: 2 of them are Executive Directors and the remaining 11 are External Directors. An independent board is guaranteed due to the fact that 7 of the External Directors are independent.