



Results for Q1 2016

TALGO S.A. obtains net profit of 18.2 million euros

- Net turnover has grown by 74% due to increase in production and maintenance activities as a result of the execution of Talگو's projects
- Adjusted *EBITDA* grows by 62%
- Net profit increases by 114% in comparison to Q1 2015
- Talگو continues to fulfil its efficiency objectives, according to the planned operations of each project currently in progress

Madrid, 6th May 2016

Talگو S.A., Spanish leader in the design, manufacturing and maintenance of high-speed trains, registered a net turnover of 150.1 million euros in the first quarter of 2016, an increase of 74% in comparison to the same period of the previous year. This significant growth is due to the increase of manufacturing and maintenance activities, as a result of the execution of its solid order intake.

The adjusted *EBITDA* corresponding to the first quarter of 2016 reached 30.9 million euros, growing by 62,3% in comparison to the same period of the previous year, in line with expected margins. Net profit is at 18.2 million euros, which is an increase of 114% on the first quarter of 2015.

Talگو's net turnover and operating margins depend on the execution phases of manufacturing and maintenance projects. Talگو's results for the first quarter of 2016 reflect the good progress of its industrial activity and of its successful execution of its international projects. In particular, the Mecca-Medina project is being developed in a satisfactory manner, fulfilling the established goals with the client and receiving adequate payments according to the established time-scale. In fact, five of the eight high-speed trains which have been built so far are already in Saudi Arabia, where they are being subject to dynamic tests, according to planned timings. In Kazakhstan, following the delivery of the first order of 436 carriages in 2015, the company has started the production of a second order of 603 carriages.

Results, € m	1T 2016	1T 2015	Var %
Net turnover	150.1	87	73.5%
Adjusted <i>EBITDA</i>	30.9	19.1	62.3%
Adjusted <i>EBIT</i>	27.7	16.6	67.1%
Tax year net profit	18.2	8.5	113.7%

As per 2016 commercial activity, and with regards to the order intake, potential new contracts are expected, which will be awarded in the next months in Spain, as well as in North America, the Middle East and North Africa, markets in which Talگو's experience and distinctive technology bring a clear competitive advantage.



In the words of the CEO of Talgo, José María Oriol, “the good results of the first quarter of 2016 show the continuity of the significant growth trend which was seen in the 2015 results. At Talgo, we are continuing to reach our efficiency aims, according to the planned operations of each project currently in progress. Regarding 2016, the company has driven its commercial activity, aiming to continue to strengthen our order intake, all the while remaining committed to our principal of selectivity, with projects that bring quality and guarantee the sustainability of our business model”.

Note to editors:

Talgo S.A. is a leading specialized rolling stock engineering company mainly focused on designing, manufacturing and servicing technologically differentiated, fast, lightweight trains with industrial presence in seven countries: Spain, Germany, Kazakhstan, Uzbekistan, Russia, Saudi Arabia and United States. The Company is renowned worldwide for its innovation capacity, its unique technology and reliability. Talgo is the rolling stock provider for the Haramain high-speed railway line between Mecca and Medina in Saudi Arabia.

For more information

Press contact:

Aída Prados

Email: aprados@estudiodecomunicacion.com

Phone no.: +34 91 576 52 50 / +34 636424483

Investors Relations:

Javier Oriol Piñeyro

IR Director

Email: fjoriol@talgo.com

Phone no.: +34 91 631 38 00