



Results 1H of 2016

TALGO S.A obtains a net profit of 34.6 million euros

- Total net turnover grew by 40% due to higher manufacturing and maintenance activities resulting from the execution of contracted backlog
- Adjusted EBITDA was up by 9.5%
- Net profit increased by 47.1% compared to the same period of 2015
- TALGO continues to achieve its objectives of efficiency on time and according to the operational plans established in each of its ongoing projects

Madrid July 29th, 2016

TALGO S.A., a leading specialized rolling stock engineering company focused on designing, manufacturing and servicing technologically differentiated, fast, lightweight trains, has registered a net turnover of 299.3 million euros in the first semester of 2016, representing a 40% increase compared to the same period of the previous year. This significant growth has been achieved due to the increase in manufacturing and maintenance activities, as a result of the sound execution of the Company's strong backlog.

The adjusted EBITDA corresponding to the first semester of 2016 stood at 59 million euros, representing a 9.5% increase compared to the same period of the previous year. Net reached 34.6 million euros, up by 47.1% in comparison to last year's first semester.

TALGO's net turnover and operating margins depend on the execution phases of manufacturing and maintenance projects. TALGO's results for the first half of the year 2016 showcase the good progress made in the execution of its international projects, which represent 75.3% of the Company's contracted backlog. In particular, TALGO is fulfilling the objectives set out in the Mecca-Medina project and receiving its payments according to the established time-scale. In fact, eight of the nine high-speed trains which have been built so far are already in Saudi Arabia, where they are being subject to static and dynamic testing, in which the trains have reached a speed of 200km/h, proving that these tests are being passed successfully. Thereby, TALGO has completed 63% of the progress of one of the biggest railway projects in the world, in line with the expected schedule.

Profit & Loss Account, € m	1H 2016	1H 2015	Var %
Total net turnover	299.3	214.0	39.9%
Adjusted EBITDA	59.0	53.9	9.5%
Adjusted EBIT	51.2	48.9	4.8%
Profit of the year	34.6	23.5	47.1%

Ahead of the second semester of 2016, regarding the contracted backlog the Company expects new potential contracts, which will be awarded in the next few months in Europe, North America and Middle East mainly, markets in which TALGO's distinctive technology represents a clear



competitive advantage. The offers identified for the next 12 to 18 months reach up to a total value of 3.4 bn euros.

In the words of the CEO of TALGO, José María Oriol, “the good results of the first semester of 2016 show the continuity of the significant growth trend which was noted at the beginning of this year, as well as in the results of 2015. At TALGO, we continue to meet our efficiency aims, according to the planned operations of each project which is currently in progress. For the upcoming months, the company has the aim to continue to strengthen our backlog with new contracts that bring quality to our portfolio and guarantee the sustainability of our business model”.

New developments

TALGO is currently developing a commuter regional train called **EMU**, as the Company expects to enter a new market segment in 2017. EMU will be prepared to reach a speed of 160km/h. It has TALGO’s unique technology and stands out for its versatility and accessibility, as a result of the train’s adaptable platform as it doesn’t have constructive barriers such as steps, which allows quick access for passengers and reduces waiting time at the stations.

Notes 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 La Mecca and Medina in Saudi Arabia.

For further information

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