On Track to deliver shareholder returns
1. Company Overview
2. A Strong Foundation for Growth
3. Outlook
Worldwide projects
operating in more than 40 countries across 5 continents

Integrated offering
providing a one-stop solution for railway systems

Employing 7,587 staff
of which c.30% is highly qualified (1)

Strong R&D and Engineering capabilities
more than 950 people

Revenue
€1.3bn

EBITDA/Margin
€135m/10.3%

Order Backlog
€6.2bn

International as % of Revenue
79%

Note: Data as of 31 December 2016
(1) i.e. engineers and other university degree holders
Global leader
at the vanguard of technological development
with a deep-rooted tradition

1892
Beasain: Former ironworks, reconverted into industrial workshops for wagon repair and assembly.

1917
Incorporation of CAF S.A.

Early 90s
Shareholder consolidation. Cartera Social and local savings banks provide support to CAF’s project. Start of internationalisation process.

1920
Inauguration of the Integrated Railway Technology Centre.

2002
First variable-gauge dual-voltage high-speed train for Renfe.

2004
First concession for CAF: the Suburban Railway System of Mexico.

2007
Launch of URBOS catenary-free tram (Seville tramway).

2009
First reference to CIVITY, the commuter and regional rail platform.

2010
Launch of OARIS, the 350 km/h High Speed Train.

2011
First concession for the Suburban Railway System of Mexico.

2013
First 100% low floor tram (Seville) - light metro.

2013
Fully automated metros for Helsinki and Santiago de Chile.

2014
ShiftRail EU Joint Undertaking launched. CAF is one of the eight founding members.

2016
World’s longest and largest capacity tram for Budapest.

2016
Railway Company License and Entity in Charge of Maintenance Certificate for the Spanish railway network.

2016
First train fitted with CAF traction equipment.

2006
First reference to CIVITY, the commuter and regional rail platform.

2016
First variable-gauge dual-voltage high-speed train for Renfe.

2002
First concession for CAF: the Suburban Railway System of Mexico.

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CAF considers all stakeholders in its strategic approach.

**Commitment to the Environment & Society**
- Environmental protection is a key focus area, offering sustainable products and minimising the environmental impact of industrial activity – having achieved greenhouse gas emissions below levels set under the Kyoto protocol.
  - CAF publishes environmental product declarations in compliance with ISO 14025.
- Implementation of eco-design in the engineering processes to offer the most sustainable solutions from conception of product.
  - CAF’s compromise with the communities in the surroundings where its activity is developed comes into being through the promotion of initiatives focused on the improvement of their quality of life.

**Devoted to its Shareholders**
- Maintaining an open dialogue with the financial community through reinforcing the Investor Relations Unit.
- Ensuring shareholder participation in decisions within their competences and focusing on delivering returns.
- Progressing in the compliance of Good Governance Code recommendations.

**Engaged with Customers and Suppliers**
- Committed to offer the best-in-class services and quality to customers from design to delivery focusing on product adequacy and customer satisfaction.
- Broad base of suppliers to achieve competitiveness and high quality standards.
  - Use of web-based platforms to ease communication with suppliers.

**Focused on Employees**
- Focus on balancing employees’ expectations and business objectives.
  - Employees are the cornerstone of CAF’s success and strategy, as such, the company is committed to fostering its employees’ development through training courses (e.g. 125,000 hours of employee training carried out during 2015-2016 at CAF S.A. alone.)
- Skills development programme aimed at re-training and expanding the skills of our personnel.
Engaging the market
CAF has reinforced the Investor Relations unit to have an open dialogue with the market:

Investor Relations team:
Urtzi Montalvo
Head of Investor Relations
umontalvo@caf.net

Ainara Areizaga
Investor Relations
aareizaga@caf.net

Alberto Altuna
Investor Relations
aaltuna@caf.net

CAF is a well-known name in the financial community, being covered by a number of analysts:

Market Performance

Shareholding Structure (1)

Dividends per Share (3)
A Railway Solution Provider

**Strong, sustainable growth**
focused on delivering returns

**Turnkey Solutions**
Portfolio offering along the entire value chain including: rolling stock, services, signalling, subcomponents, superstructure, integration, etc.

Rolling stock covering all segments: high speed, regional, commuter, metros, trams, etc.

**Deep Roots in the Railway Industry**
- Experienced management team with proven track record
- Longstanding shareholders supporting company’s long-term strategy
- High proportion of skilled and experienced employees

**Well positioned to capture future growth**
- Global footprint with international production capabilities
- Increasing exposure to high-growth markets (turnkey management, rail control, services) and high-volume geographies (Western Europe – mainline)
- Strong presence in high-growth geographies (Latam, NAFTA) and vehicle types (urban, regional)

**High Product Adaptability**
Continuous focus towards delivering operational excellence and seamless execution through modularisation

High degree of product adaptability – bespoke solutions

Cost competitive modular platform solutions to meet customer needs

**In-House Technological Excellence**
Focused on developing pragmatic solutions to tackle real needs for development of the business

Achieving technological independence from external parties for critical railway technologies
Development of a Transport System
CAF provides integral management and engineering in every phase of the project

1/ Situation Analysis and Feasibility Study
Mobility studies and research for financial and legal structures

2/ System Design and Engineering
Design of the best railway solution

3/ Financial Solutions
Project Financing
Leasing/Renting
Tailored Solutions

4/ System Manufacture & Construction
Railway system (track, stations and signals, etc)
Rolling Stock

5/ Commissioning
Systems Delivery

6/ Operation and Maintenance
Infrastructure and Rolling Stock maintenance
Spare parts supply
Commercial service operation

Rolling Stock
Signalling
Information & Communication Systems

Other Electromechanical Systems
Power Supply
Civil Works
Maintenance / Operation

Systems Integration
CAF guarantees the integration and compatibility of all the subsystems
### Comprehensive Solutions
CAF has extensive experience in the execution of complex integral railway transportation projects worldwide.

### Rolling Stock
- **High Speed Trains**
- **Regional Trains**
- **Commuter Trains**
- **Metros**
- **RMs & Tram-Train Trains & Light Metros**
- **Locomotives**
- **Coaches**

### Civil Works EPC
- **Platform construction**
- **Construction and refurbishment of classic and elastic rails**
- **Railway terminals and stations**
- **Railway bridges**
- **Railway yard, maintenance workshops, centralised traffic control and services building**
- **Power substations**

### Maintenance / Refurbishment / Operation
- **Infrastructure and rolling stock maintenance**
- **Spare parts supply**
- **Commercial service operation**

### Critical Equipment Supplies
- **Wheelsets and their parts**
  - Complete wheelset
  - Wheels
  - Axles
  - Gearboxes
  - Couplers
  - After Sales
- **Traction & Communication Equipment**
  - Electric Traction Systems
  - Electric DC Traction Converter
  - Electric AC Traction Converter
  - Locomotive Traction Converter

### Signalling
- **Infrastructure and on-board signalling systems**
  - ERTMS 1 and 2
  - Mass transit signalling solution (metro and tramway)
  - Computer based interlocking (CBI)
  - Centralised railway traffic centres

### Power Supply
- **Electrification of the lines**

### Other Electromechanical Systems
- **Systems for stations and tunnels**
  - Video-surveillance systems (CCTV)
  - Remote control and command systems
  - Internal communication systems
  - Ticketing

### Simulation Systems
- Documentation Management Testing, etc.
High Product Adaptability

Modularisation driving operational excellence and seamless execution

- CAF has developed new engineering practices based on vehicle modularity
- Results range from 10% to 20% cost reduction depending on product family

Platforms of Rolling Stock

These platforms allow CAF to meet customer demands in terms of cost and delivery time

Recent contract awards for these platforms:

- **URBOS**: Utrecht (€440m in consortium) Amsterdam (€149m) Stockholm (€26m)
- **CIVITY**: 98 EMUs for Arriva-UK (€740m) 118 EMUs for NS-The Netherlands (€518m)
- **OARIS**: 8 trains for Flytoget–Norway (€118m)

Customised Solutions

CAF has already achieved worldwide recognition for providing fully customised solutions

- Customisation represents an important competitive advantage, especially in urban markets
- Usually on projects requiring specific characteristics (signalling, supply voltage, different platform heights, kinematic envelop, variable gauge, etc.)

References include:

- **Chiclana**: Tram-train (Spain)
- **Auckland**: EMUs (New Zealand) - 25kV AC with a low floor car
- **Euskotren**: EMUs (Spain) - metric gauge, cabin front detrainment door for passengers
- **Sardinia**: DMUs (Italy) - tilting system
- **Helsinki**: Commuter trains (Finland) – Nordic climate conditions
**Strong focus on R&D** has allowed CAF to develop and own critical key technologies and become technologically independent.

### Technological Milestones until 2000

- **1969**: Creation of R&D unit. Starts production with own designs
- **1999**: Tilting train prototype

### In-house development of first version of critical technologies

- **1969**: Creation of R&D unit. Starts production with own designs
- **1999**: Tilting train prototype

### R&D subsidiaries created

- **1969**: Creation of R&D unit. Starts production with own designs
- **1999**: Tilting train prototype

### Subsidiaries compete in the open market to supply CAF and other customers

- **1969**: Creation of R&D unit. Starts production with own designs
- **1999**: Tilting train prototype

### Technological Milestones from 2000 on

- **2001**: Development of CAF Train Control Management System (COSMOS)
- **2003**: High-speed variable gauge train
- **2005**: Signalling Technology
- **2006**: First CAF propulsion system
- **2008**: Bitrac bimotor dual-mode locomotive
- **2009**: VEGA multipurpose electronic platform
- **2010**: High-speed variable gauge train
- **2011**: First catenary-free tramway
- **2013**: Founding member of Shift Rail EU Joint Undertaking
- **2014**: First Automatic Train Operation (ATO) over ETCS in the world (CAF Signalling)
- **2015**: CAF ERTMS certified
- **2016**: Very High-Speed Train
More than €150m invested in the last 5 years to reach this level of technological expertise\(^{(1)}\)

2017-2018 R+D Plan in progress:
68 projects developed in 2016
For 2017 CAF Group will work on 134 projects

\(^{(1)}\) Does not include costs related to contracts engineering or to product standardisation and process improvement
Well Positioned to Capture Future Growth

- Liberalisation and increased government support driving investment in rail markets
- Growth in virtually all markets with Latin America, APAC and NAFTA at the forefront
- Western Europe and NAFTA to remain resilient high-volume regions

CAF’s Positioning – Revenue breakdown by geography

- Demonstrated ability to capture market share and growth on a global scale
- CAF’s internationalisation has allowed it to substantially offset the impact of the declining national market
- Increased exposure in high-volume regions (Europe, NAFTA)
- Further penetration in European mainline market (new bids to large incumbent operators; participation in large-contract bids)
- Strong presence in high-growth geographies such as Latin America

UNIFE Market Forecast by geography

- LATAM: 101 EURbn (CAGR 3.2%) in 2013-2015, 122 EURbn (CAGR 3.6%) in 2019-2021
- APAC: 16 EURbn (CAGR 5.4%) in 2013-2015, 22 EURbn in 2019-2021
- Rest of Europe: 8 EURbn in 2013-2015, 10 EURbn in 2019-2021

CAF’s ‘Well Positioned’ to Capture Future Growth

- Accessible Market
- Revenue breakdown by geography

On Track to Deliver Shareholder Returns - 15
Diversified global customer base

- More than 60 new customers in the last 10 years

21% Spain

> 30 countries

53% 6 countries

(1) Manufacturing projects producing revenue in 2015. Services, signalling, spare-parts, wheelsets, etc. not included.
Well Positioned
to Capture Future Growth

Diversified customer base worldwide
The highest volumes are concentrated in the Locomotives/Cars/Wagons and Multiple Units segments. The Very High Speed/High Speed and Urban segments are the types of vehicle with greatest growth expected in the market.

CAF’s backlog with a strong presence in the high-growth and high-volume segments – Urban and Regional trains. On Locomotives, coaches and wagons segment, CAF is only focused in passenger Locomotives and coaches.
Deep Roots
in the Railway Industry

Alignment of Shareholders and Company
Longstanding shareholders are committed with the company’s long-term strategy.

Highly Skilled and Experienced Staff
High proportion of skilled and experienced employees, highlighting company’s strong focus on R&D and driving innovation.

Experienced Management
Chairman and CEO, Andrés Arizkorreta has dedicated more than 35 years to CAF, holding a number of different positions of responsibility at the company, and as CEO since 2006.

Executive Committee members have been working for the company for an average of 25 years.

All top management members have held various positions in different areas of the company.

2016 Employee Breakdown by Qualification
- Workshop Operators: 56%
- Engineers and Qualified: 29%
- Admin. and Plant Managers: 15%

(1) i.e. other university degree holders.

On Track to Deliver Shareholder Returns - 19
We are at the beginning of a new growth cycle

Growth to be supported by:

- Integrated and comprehensive product offering including turnkey solutions, signalling, maintenance, leasing and concessions

- A growing offering of Rolling Stock components: Traction equipment, Train control system, Wheelsets, Gearbox, etc.

- Key competences in urban and regional segments, as well as a focus in core markets (e.g. EU), whilst increasing exposure to high growth regions (e.g. US, Latam, Middle East)

- Strong pipeline for 2017: 50-60 bids worth €6bn in 5 continents, with special focus in Western Europe

- Backlog, awards and pipeline as a pillar for the increase in revenue for the coming years

- Mid-term profitability sustained by the continuous search for the operational excellence and seamless execution of efficiency measures

- Cash generation driven by improved WC levels, leasing-related debt amortisation and normalised capex requirements
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