FIRST QUARTER 2017 RESULTS

26 April, 2017

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Order Intake

Order Intake concentrated in Europe

(in millions of EUR)

	2014	2015	2016				2017 [1]
	Q1-Q4	Q1-Q4	Q1	Q1-Q2	Q1-Q3	Q1-Q4	Q1
Order Intake	1,895	902	789	1,636	2,030	2,677	232
book-to-bill	*1.3*	*0.7*				*2.0*	

The main contracts signed and included in the backlog in the first quarter of 2017 were:

Utrecht (The Netherlands)

RATP (France)

The two contracts have an approximate joint value of EUR 100 million.

These contracts are added to others related to contract extensions and maintenance contract renewals, as well as new contracts from MiiRA and other Business units.

In addition, 11 April 2017 saw the signing of the train supply and maintenance contract for Zweckverband Schönbuchbahn (Germany).

[1] Order Intake obtained as: (Period end backlog – Period start backlog + Period sales +/- Other adjustments)

Order Intake

(continuation)

Utrecht

On 18 January 2017, the Province of Utrecht (The Netherlands) and CAF signed a supplementary agreement, ordering the production and delivery of trams, type Urbos 100, in addition to the ongoing project awarded to CAF at the beginning of 2015.

The project comprises the following:

- The supply of 22 trams of 6 modules each

RATP

The public transport operator of Paris (RATP, Régie Autonome des Transports Parisiens) has awarded CAF a contract for the design and manufacture of dual-mode electric locomotives; i.e. they may run by drawing power through overhead wires as well as through batteries located inside the units.

The project comprises the following:

- Supply of 12 units with an option to acquire up to 6 additional locomotives

Order Intake

(continuation)

Zweckverband Schönbuchbahn (Germany)

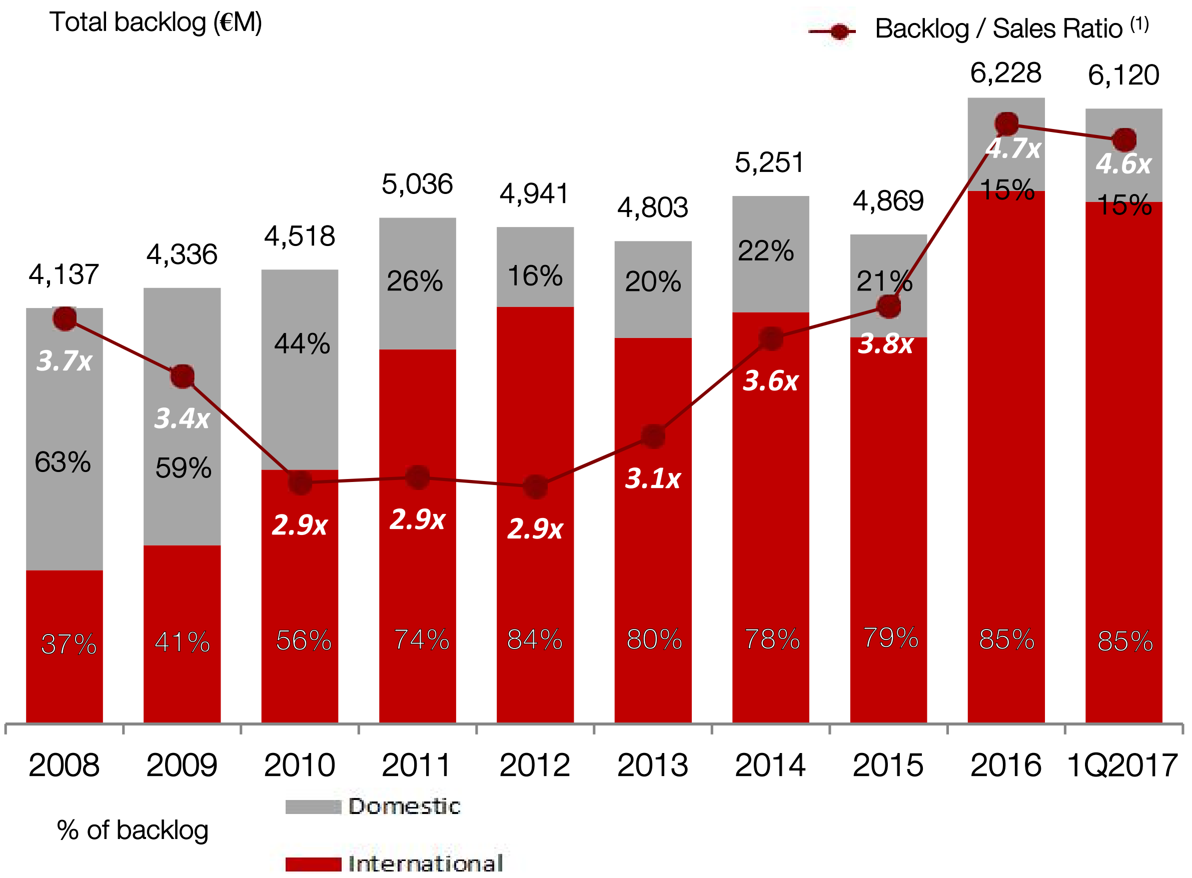
The 11 April 2017, Zweckverband Schönbuchbahn (ZVS), public transport authority in Germany, has signed with CAF a contract which comprises the supply of Light Rail Vehicle units for the Schönbuchbahn and the integral maintenance. The new electrical LRVs will be operated on the network of ZVS between Böblingen – Holzgerlingen – Dettenhausen.

The project comprises:

- The supply of 9 three-car Light Rail Vehicle units, equipped with state of the art technology
- The integral maintenance over 19 years
- Moreover, the contract includes the option to request up to additional 19 trains

Backlog

Backlog is maintained
over EUR 6,000 million



[1] Backlog / sales ratio of each quarter of 2017 calculated against total annual revenue of 2016.

The order backlog at 31 March 2017 reached EUR 6,120 million, equivalent to 4.6x annual revenue of 2016.

This backlog does not include **firm contracts signed** beyond 31 March 2017:

- Zweckverband Schönbuchbahn (Germany)

In addition, CAF has also been **awarded contracts yet to be signed** worth approximately EUR 200 million.

Consolidated Statement of Profit or Loss

(in thousands of EUR)

	1Q2017	1Q2016	% change
Revenue	340,022	281,048	21%
EBITDA	43,301	36,660	18%
D&A and Impairments	(9,552)	(8,876)	8%
EBIT	33,749	27,783	21%
Financial result	(19,124)	(14,083)	36%
Profit before Tax	14,624	13,701	7%
Income Tax	(5,329)	(5,109)	4%
Net Profit after income tax	9,295	8,592	8%
Profit attributable to non-controlling interests	(269)	(318)	(15%)
Profit attributable to the Parent	9,564	8,910	7%

Revenue as of 31 March 2017 amounts to EUR 340,022 thousand, that is, EUR 58,974 thousand (21%) higher compared to the figure for the three months period ended 31 March 2016. The increase was due to the recovery in industrial activity compared to the previous year. The impact of exchange rates due to the appreciation of Brazilian Real has supposed an increase of 3% in turnover level.

Exports accounted for 84.3% of total revenue.

Metro units for **Medellin, Chile and Istanbul** and commuter trains for **CPTM, Transpennine and Toluca** are the main manufacturing projects in progress in the three months period ended 31 March 2017.

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The **EBITDA** margin as of 31 March 2017 amounted to EUR 43,301 thousand, compared to EUR 36,660 thousand in the same period of 2016, that is, 18% higher.

The **Financial Result** as of 31 March 2017 totalled a loss of EUR 19,124 thousand, 36% higher than the same period of 2016.

Profit before tax as of 31 March 2017 reached a profit of EUR 14,624 thousand, that is, 7% higher than the profit for the same period of 2016.

Net profit after income tax as of 31 March 2017 amounted to a profit of EUR 9,295 thousand, an increase of 8% as compared to the profit for the same period of 2016.

Profit attributed to the parent company for the three months ended 31 March, 2017 reached a profit of EUR 9,564 thousand, 7% higher compared to the profit for the same period of 2016.

Outlook

Company maintains its perspectives[1]:

- Double-digit Compound annual growth rate *(CAGR)* in 2017-2018 sales, underpinned by record-high order intake in 2016.
- Upward trend of profit in the next years driven by:
  a) Increased activity, especially in European manufacturing plants
  b) Order intake margin in line with historical margin
  c) Order backlog with lower execution risk
  d) Operational excellence and efficiency programmes, which are already beginning to show the first signs of savings:
     - Improvement in manufacturing and industrialisation management
     - Optimisation of suppliers' performance in terms of quality and deliveries
     - Improved management and Globalisation of purchasing
     - Efficient inventory management
- Ambition to maintain current historic order backlog, based on stable value of open tenders of €5.5 – €6.0 billion

1 Projections as laid out in *"2016 Results Presentation"* document made public on 27 February 2017.

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