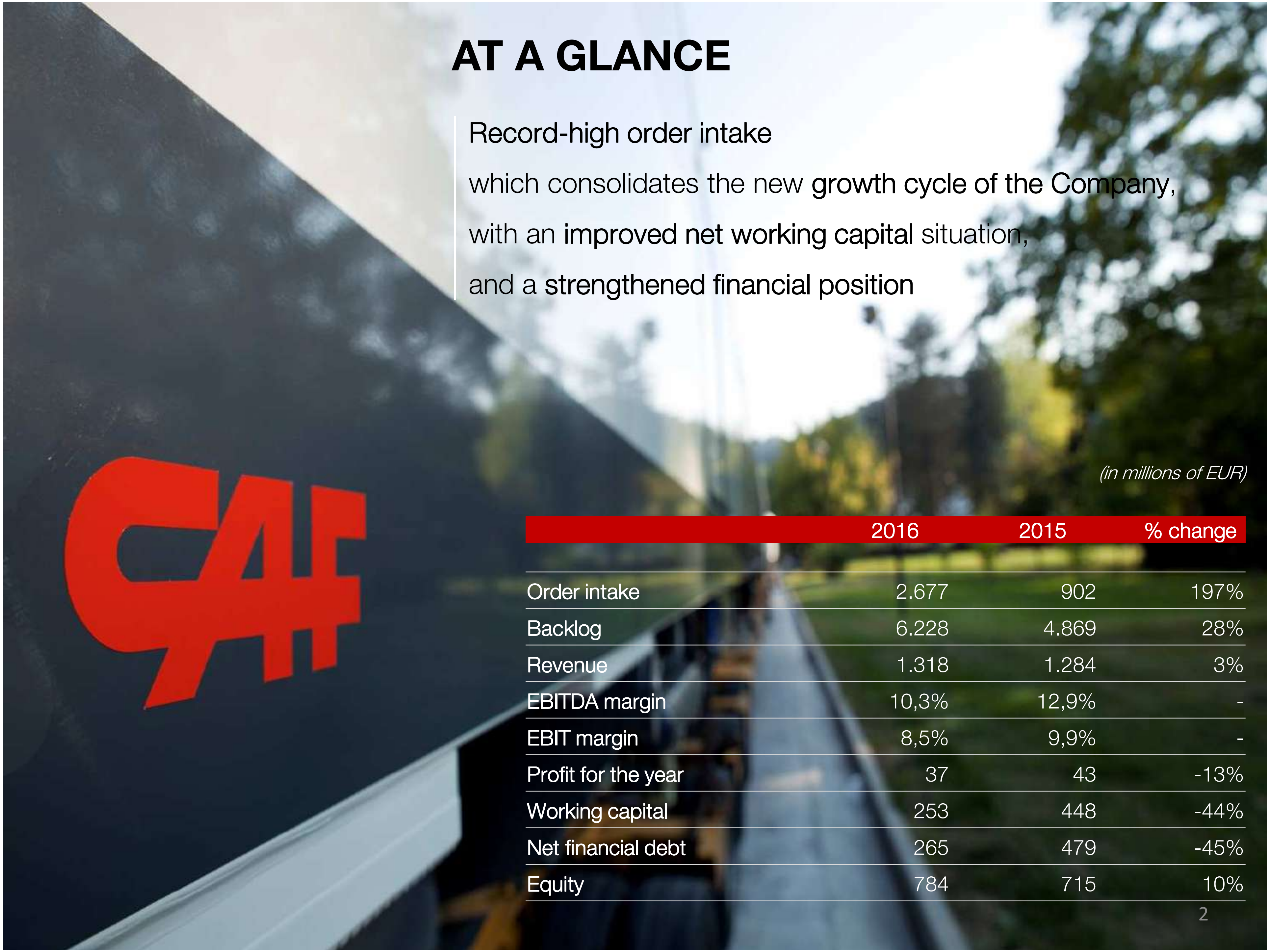
FY2016 RESULTS PRESENTATION

27 February 2017



AT A GLANCE

Record-high order intake

which consolidates the new **growth cycle of the Company**,

with an **improved net working capital** situation,

and a **strengthened financial position**

(in millions of EUR)

	2016	2015	% change
Order intake	2.677	902	197%
Backlog	6.228	4.869	28%
Revenue	1.318	1.284	3%
EBITDA margin	10,3%	12,9%	-
EBIT margin	8,5%	9,9%	-
Profit for the year	37	43	-13%
Working capital	253	448	-44%
Net financial debt	265	479	-45%
Equity	784	715	10%

Contents

Order Intake

All-time high order intake
with a *book-to-bill*=2

(in millions of EUR)

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

The main **contracts signed**, and included in the backlog, in the **fourth quarter of 2016** are:

Brussels (Belgium)

Amsterdam (The Netherlands)

In addition to these, there are other contracts in the sum of approximately 100 million euros, related, among others, to Maintenance and Technical Support, to Miira and Subsidiaries, and to other rolling stock contracts such as, for example, additional units for the Chile Metro and the Medellin Metro.

[1] Order Intake obtained as: (Period End backlog –Period Start backlog + Period revenues), considering the signature of the contract as criterion for its recognition in the order backlog.

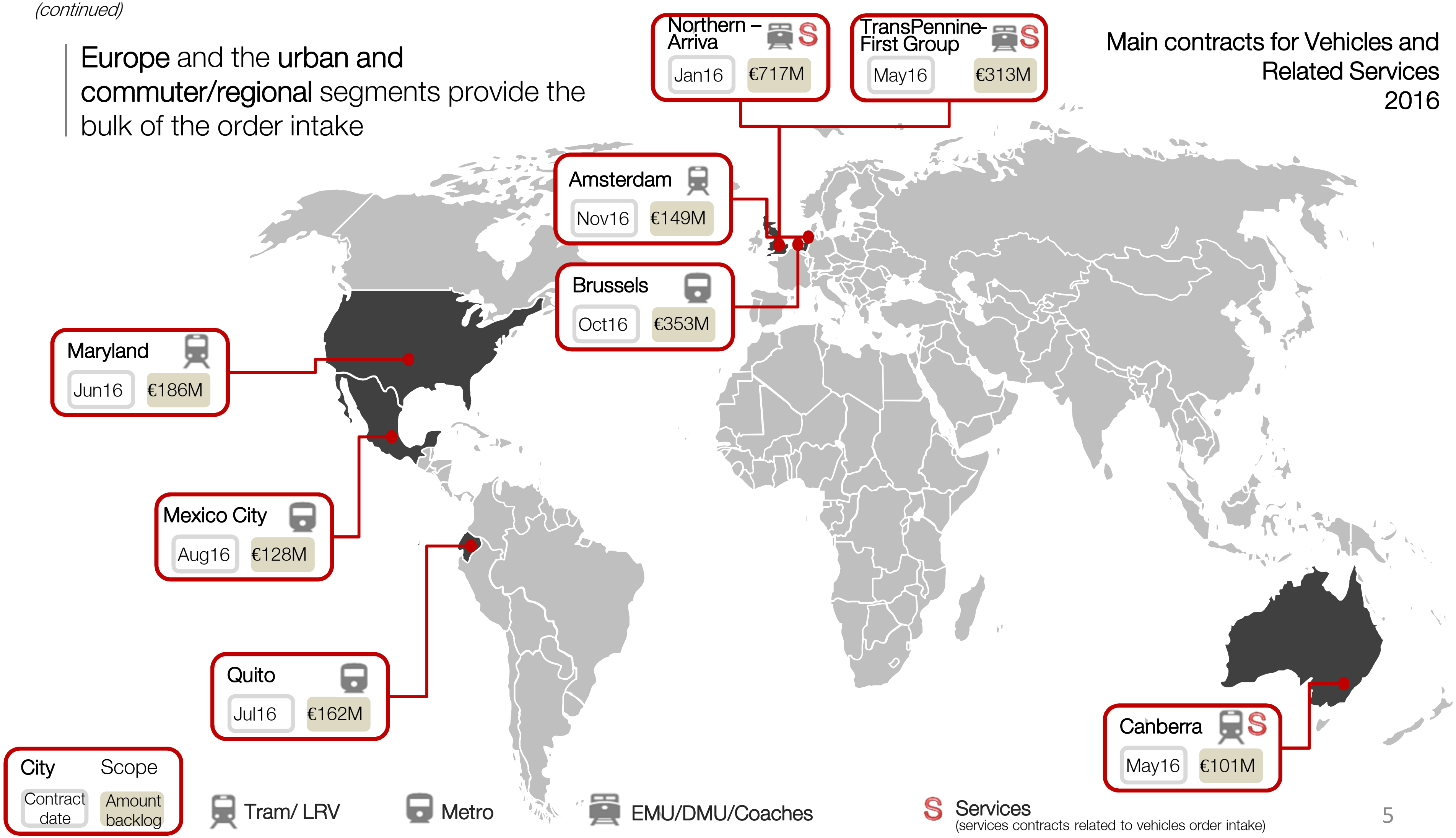
[2] This figure does not include options contemplated in several of the signed projects.

Order Intake

(continued)

Europe and the **urban and commuter/regional** segments provide the bulk of the order intake

Main contracts for Vehicles and Related Services 2016



Order Intake

(continued)

New orders
with **a better profile**

More than 60% of the new order intake originated in **Western Europe**

A third of the contracts signed with already **known customers,** who continue relying on CAF

Railway operators and administrations of highest prestige award significant contracts to CAF

Low exposure to **foreign currency**

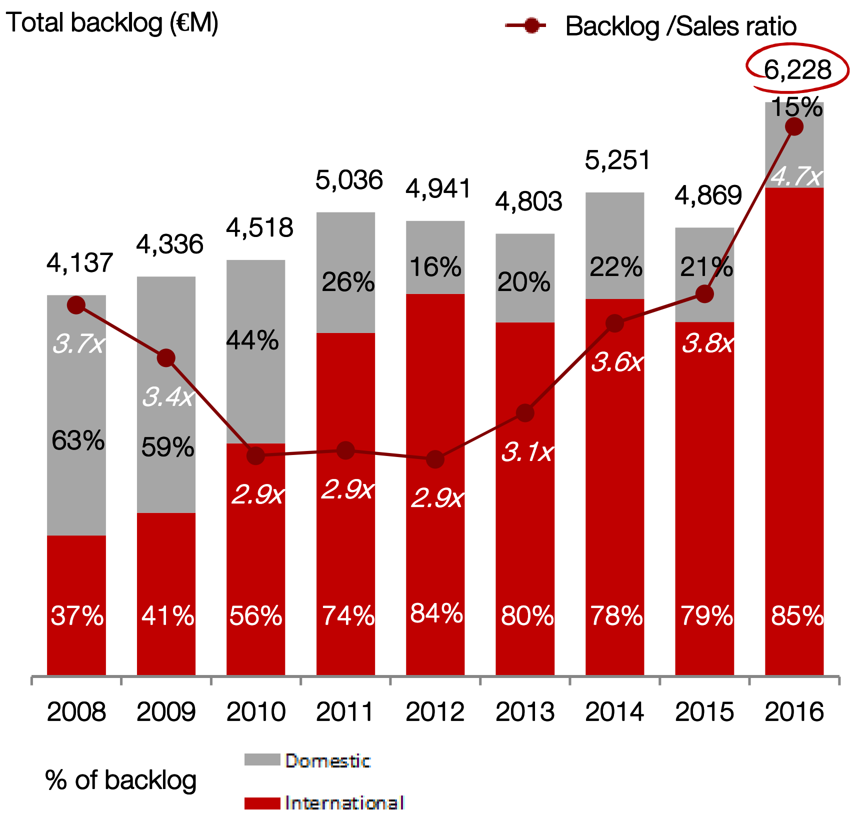
Improved **payment terms**

Increasing references of **platform-based** projects (Urbos, Civity)

Backlog

Record-high order backlog
that ensures future growth

Backlog



The order backlog as of 31st December 2016 reaches its **record-high peak** of €6.2 billion, equivalent to 4.7x 2016 revenue.

The bulk of the backlog continues to be located internationally.

This backlog does not include **firm contracts signed** beyond 31st of December 2016:

- New trams for Utrecht (approx. €58M)

CAF has been **awarded projects pending signature**, amounting to c. €290 million (excluding their future options), as of the publication date of this document.

Consolidated Statement of Profit or Loss

(in millions of EUR)

Consolidated Statement of Profit or Loss	2016	2015	% change
Revenue	1,318	1,284	3%
Other income (*)	26	11	138%
Supplies and change in stocks	(624)	(561)	11%
Staff costs	(398)	(402)	-1%
Other operating costs	(187)	(165)	13%
EBITDA	135	166	-19%
% margin	10.3%	12.9%	
D&A of fixed assets	(35)	(38)	-10%
Impairment and gains/losses on disposals	11	(1)	-1449%
EBIT	112	127	-12%
% margin	8.5%	9.9%	
Financial income	14	10	30%
Financial expenses	(73)	(57)	29%
Exchange rate differences	6	(20)	-130%
Other expenses/financial income (**)	0	(1)	-147%
Financial result	(53)	(66)	-20%
Result of entities accounted for using the equity method	0	-	
Profit before tax	59	60	-2%
Income tax	(22)	(18)	24%
Profit for the year	37	43	-13%
% margin	2.8%	3.3%	

(*) Includes items recorded under Other operating income and Work carried out by the company on its assets

(**) Includes items recorded under Change in fair value of financial instruments and Impairment and gain/losses on disposal of financial instruments

Revenue has increased by 2.7% in year-on-year terms.

This increase is driven by a recovery of industrial activity from July onwards, and greater **revenues in services and signalling businesses**.

79% of revenues correspond to the **overseas market**.

Commuter trains for Euskotren, CPTM, NS (The Netherlands) and Toluca, and metro units for Istanbul, Chile and Medellin, are the **main manufacturing projects** in progress in 2016.

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Staff costs remain contained in comparison with the increase in activity.

Lower **EBITDA and EBIT,** attributable to the project mix in progress and the lower industrial activity in 2015 and 2016.

Depreciation and Amortization decreases due to lower investment in recent years.

Financial result improves, due to a lower exposure of the “Consolidated Statement of Profit or Loss” to changes in exchange rates, which led to a significant unfavourable result in the previous year. The increase in financial expenses reflects the financing needs of projects in execution.

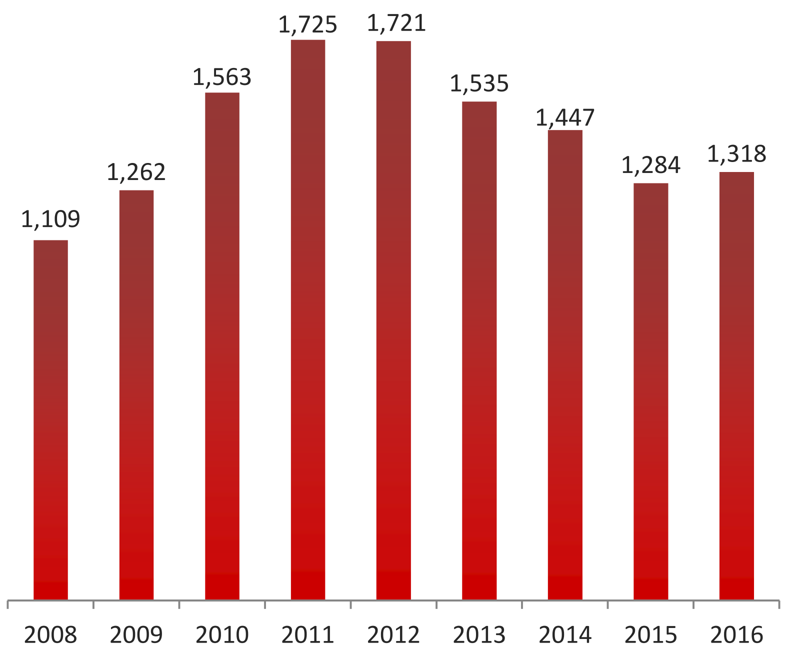
Consolidated Statement of Profit or Loss

Recovery of the mid-term revenue figure

Broad **geographical diversification** of revenues

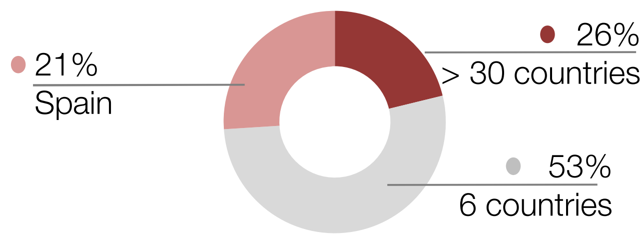
Revenue Performance

(in millions of EUR)



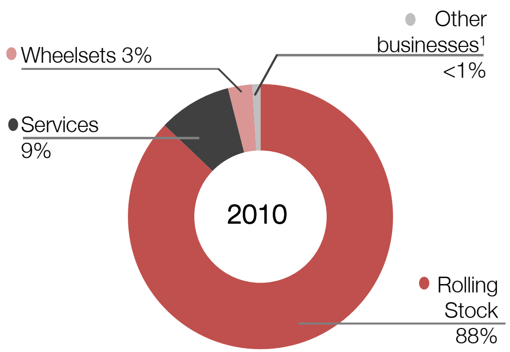
Revenue Breakdown by geography

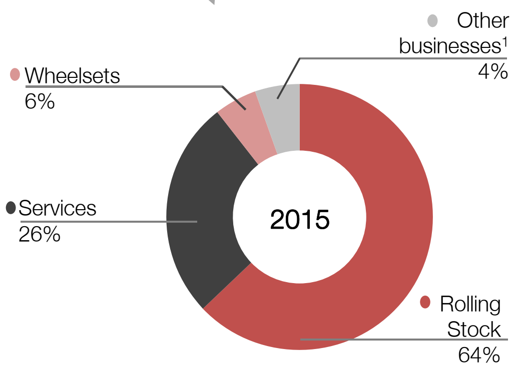
	2016
National	**279**
The Netherlands	89
United Kingdom	78
Others	144
European Union (excluding Spain)	**311**
Mexico	133
Turkey	93
Chile	85
Others	102
OECD	**413**
Brazil	218
Others	97
Rest of the world	**315**
TOTAL	1,318



Consolidated Statement of Profit or Loss

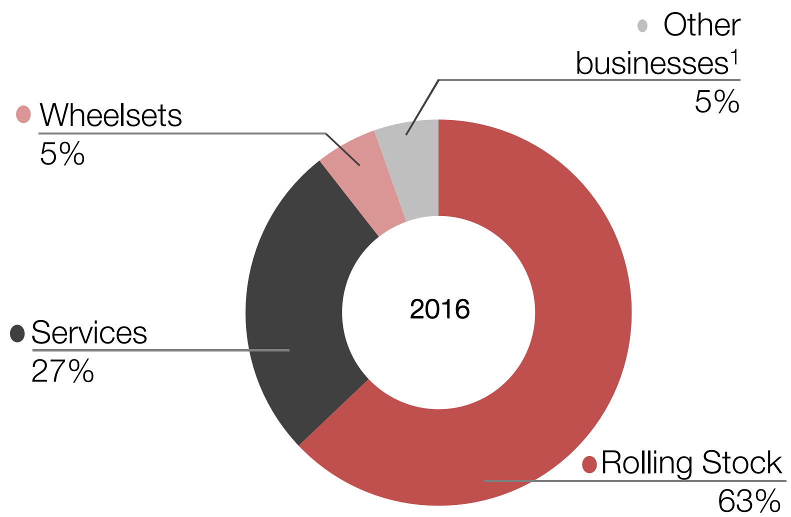
The activity in **Services** and in **Other businesses** continues growing





(in millions of EUR)

Revenue Breakdown by segment	2016	2015	% change
Rolling Stock	829	823	1%
Services	350	327	7%
Wheelsets	68	78	-13%
Other businesses[1]	71	55	29%
	1,318	**1,284**	**3%**

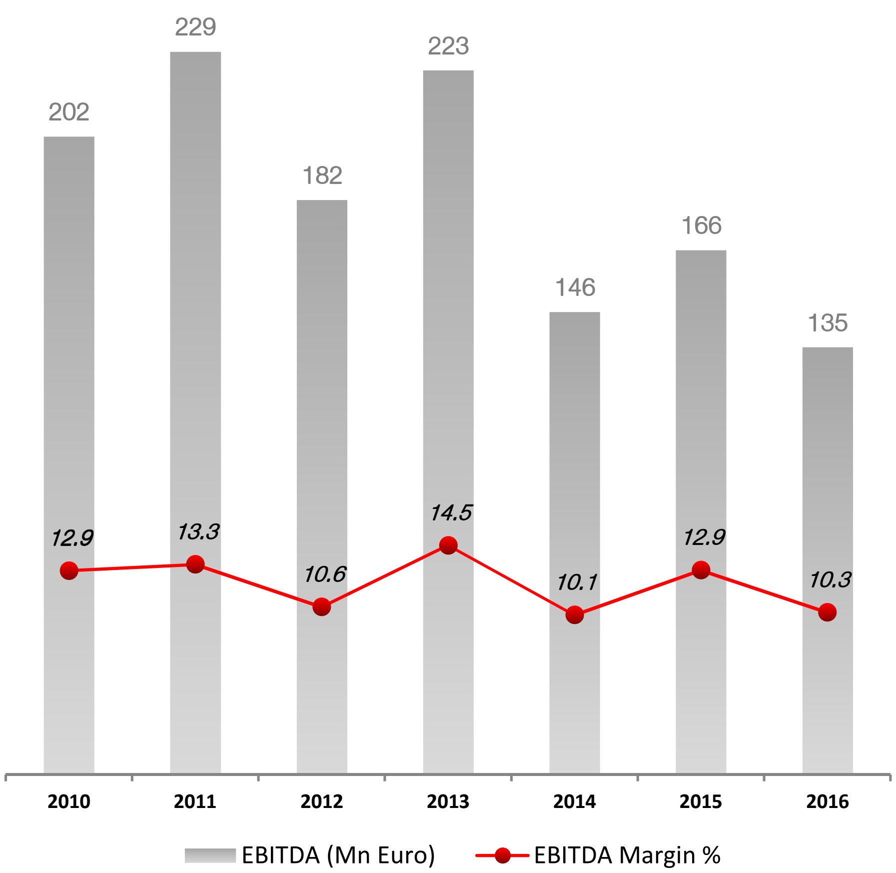


[1] Includes businesses related to traction and control equipment, communication systems, signalling systems, integration engineering, etc.

Consolidated Statement of Profit or Loss

Despite the impact of the lack of activity and project mix in progress, **higher margin** than the average of peers in sector

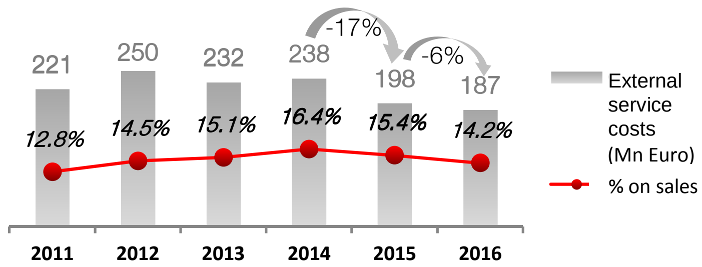
EBITDA



The mix of projects in progress and the lack of activity explain the EBITDA for the year.

Efficiency measures have been developed in line with the following programmes:

- Platforms and Modules Optimisation Programme in progress is beginning to show results and will have an impact on the coming years
- Industrial Operations Transformation Programme applied to pilot projects in 2016, with satisfactory results. Progressive roll-out to remaining projects in the next two years
- Cost-cutting programme in external services:



- Development of initiatives focussed on reducing maintenance costs, with significant achievements applied both to projects in progress and to tenders

Consolidated Statement of Financial Position

(in millions of EUR)

Consolidated Statement of Financial Position	31/12/2016	31/12/2015	% change
Assets			
Intangible Assets	40	35	15.6%
Property, Plan & Equipment, net	229	241	-4.8%
Investments accounted for using the equity method	19	14	29.8%
Non-Current Financial Assets	666	613	8.7%
Deferred Tax Assets	159	161	-1.2%
Non Current Assets	**1,114**	**1,064**	**4.7%**
Inventories	60	86	-30.1%
Trade receivables for sales and services	1,306	1,120	16.6%
Other receivables	204	169	20.7%
Current tax assets	13	9	44.4%
Other Current Financial Assets	140	122	14.7%
Other Current Assets	3	6	-46.0%
Cash & Cash Equivalents	392	297	31.8%
Current Assets	**2,119**	**1,810**	**17.1%**
Total Assets	3,233	2,874	12.5%
Equity & Liabilities			
Total Equity	**784**	**715**	**9.6%**
Long-Term Provisions	5	5	2.7%
Non-Current Bank Borrowings	648	662	-2.1%
Other Non-Current Financial Liabilities	61	75	-18.0%
Deferred Tax Liabilities	172	157	9.8%
Other Non-Current Liabilities	58	64	-9.3%
Non Current Liabilities	**944**	**962**	**-1.9%**
Short-Term Provisions	228	229	-0.4%
Current Bank Borrowings	103	204	-49.4%
Other Current Financial Liabilities	140	54	159.8%
Trade and Other Payables	1,035	708	46.0%
Other Current Liabilities	0	2	-87.7%
Current Liabilities	**1,505**	**1,197**	**25.8%**
Total Equity & Liabilities	3,233	2,874	12.5%

Property, plant and equipment

Investment in property, plant and equipment in 2016 increased to 17 million euros, slightly lower than D&A for the year.

Non-current financial assets

These refer mainly to assets linked to concession contracts in Brazil and Mexico. In both contracts the future cash flows for monthly payments (in BRL and USD respectively) are determined and guaranteed (without demand risk). The cash flows in BRL are indexed to local inflation.

Increase in the item this year due to the currency effect.

Current assets

The performance of the "Trade receivables for sales and services" item increases due to the high volume of projects at a commissioning stage.

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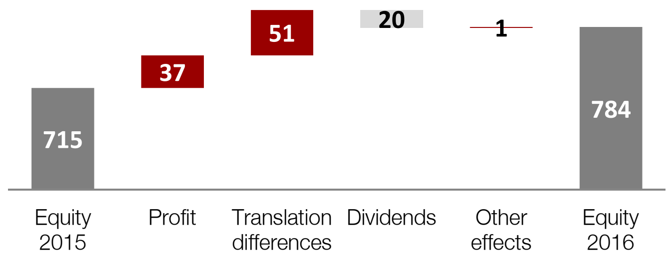
Equity

The effect of the Brazilian Real revaluation is the main factor in the Equity movement.



Non-current liabilities

"Non-current bank borrowings": decrease in the volume of gross debt, although the revaluation of the Brazilian Real increased this item by 44 million euros.

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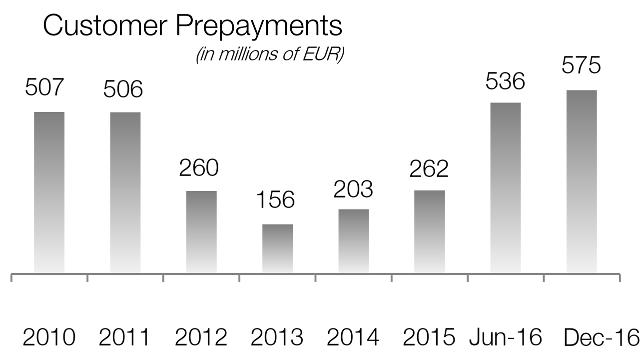
Current Liabilities

Current Bank Borrowings decreased versus 2015 due to the repayment of bank loans.

"Other Current Financial Liabilities" increased, due to the change in the market value of the exchange rate hedges, contracted during the normal course of activity.

Trade and other payables increased mainly due to customer prepayments.

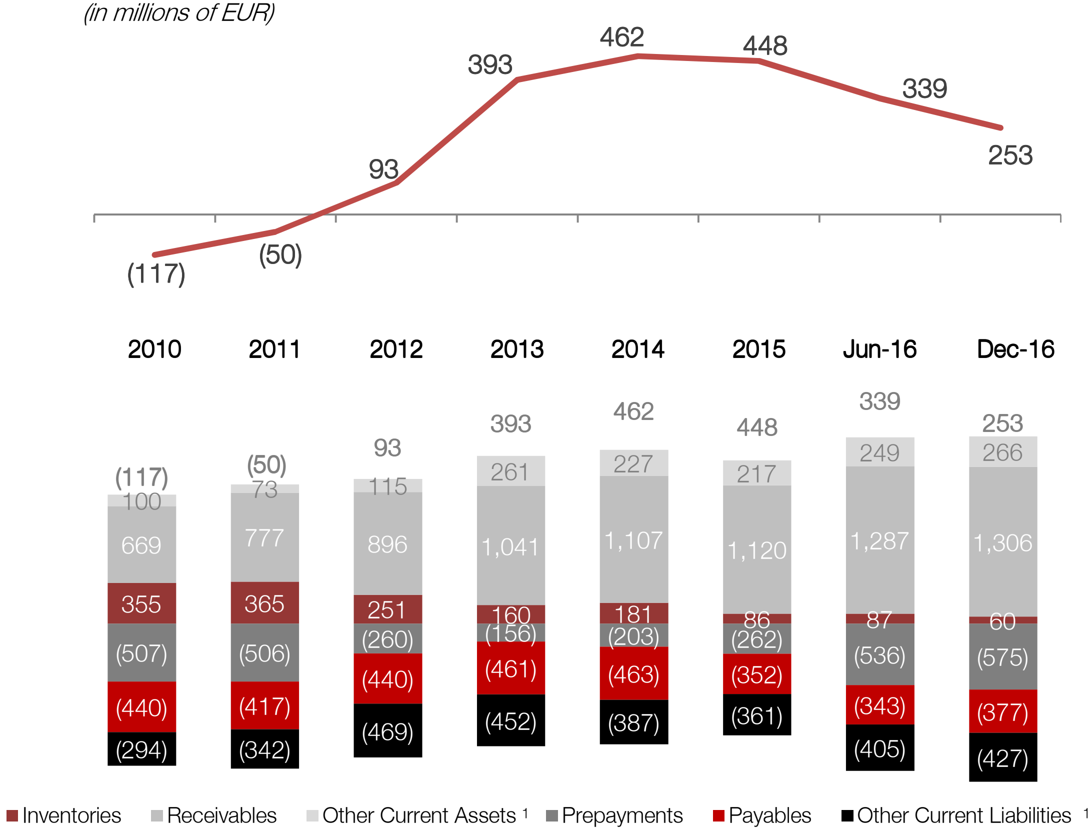


Consolidated Statement of Financial Position

Net working capital improved
for the third consecutive semester

Working Capital

(in millions of EUR)



Working capital decreased, posting its third consecutive semester reduction, and positioning it at minimum levels of the past four years.

High order intake, together with better payment terms, explain this performance.

Optimisation of warehouse inventories, in line with the Industrial Operations Transformation Plan in progress.

[1] Include the following items on the Consolidated Statement of Financial Position:
- "Other Current Assets": Other receivables, Current tax assets, Current asset derivatives and Other current assets
- "Other Current Liabilities": Current provisions, Other creditors without customer advances, Current tax liabilities and Current liability derivatives.

Consolidated Statement of Financial Position

Very favourable performance of the **financial position** of the Company

Gross Financial Debt

(in millions of EUR)

	2011	2012	2013	2014	2015	Jun16	2016
Concessions Gross Debt	239	492	446	421	346	362	364
Corporate Gross Debt	9	101	268	429	531	414	403
TOTAL	248	593	714	849	877	776	767

Gross Financial Debt was reduced by 110 million euros in 2016.

This decrease is recorded under debt with recourse to the parent company (128 million euros).

Debt without recourse to the parent company, associated with concessions, increased by 18 million euros, due to the currency conversion effect.

Cash and Financial Investments [1]

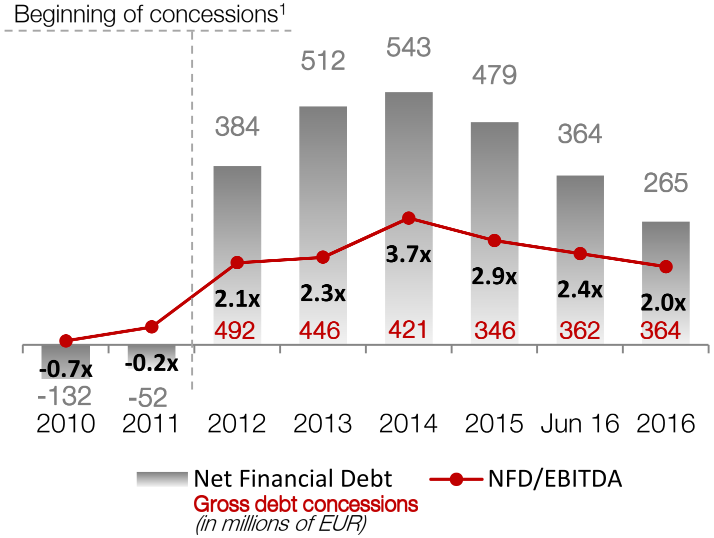
(in millions of EUR)

	2011	2012	2013	2014	2015	Jun16	2016
TOTAL	300	208	202	306	399	412	502

In addition to the reduction in gross debt, the Cash of the Company improved by 103 million euros in 2016.

[1] PPP-5000 in Brazil and L12 in Mexico

Net Financial Debt



Net Financial Debt decreased by 45% in 2016.

The NFD/EBITDA ratio is 2.0, the lowest level since the beginning of concessions.

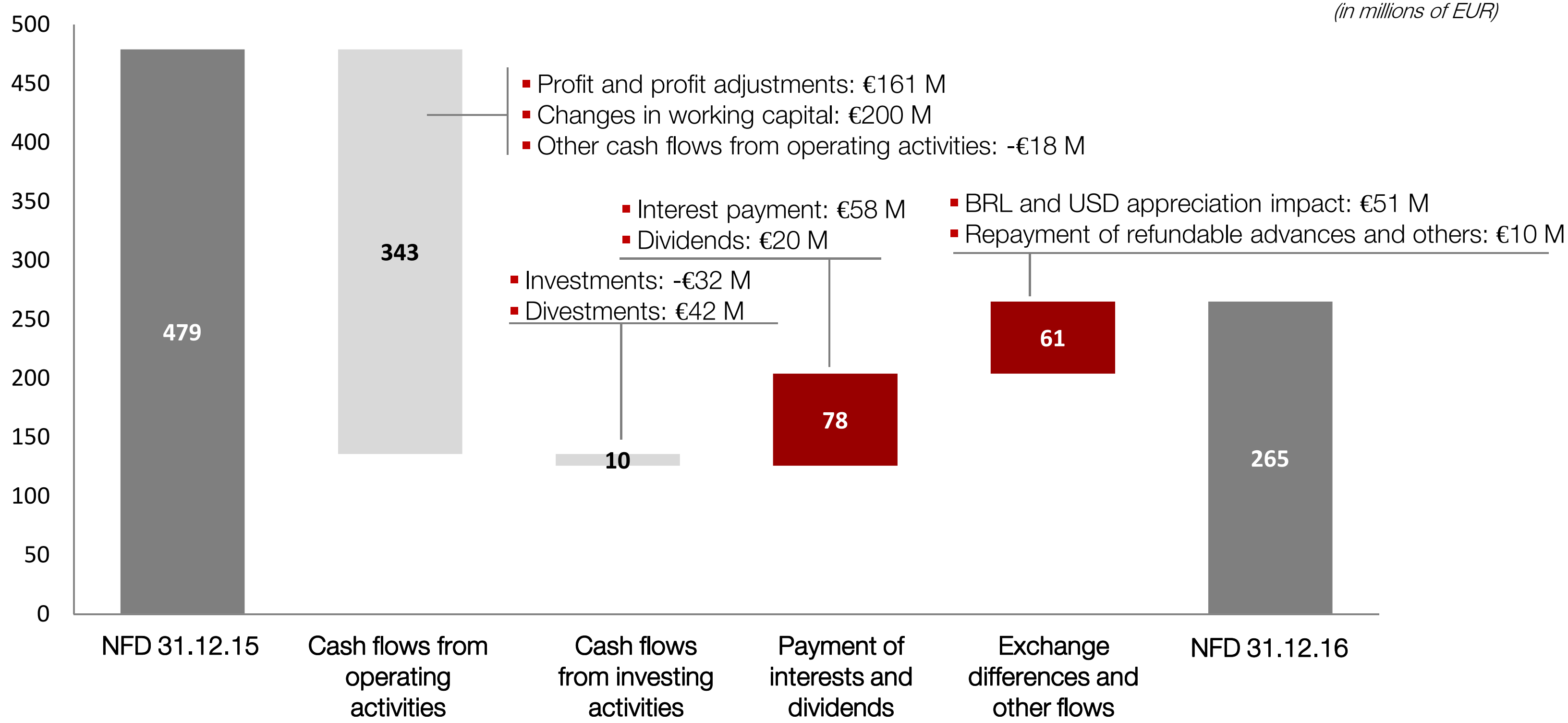
Without considering gross debt of concessions, the corporate business ended the year with positive net cash position.

Consolidated Statement of Financial Position

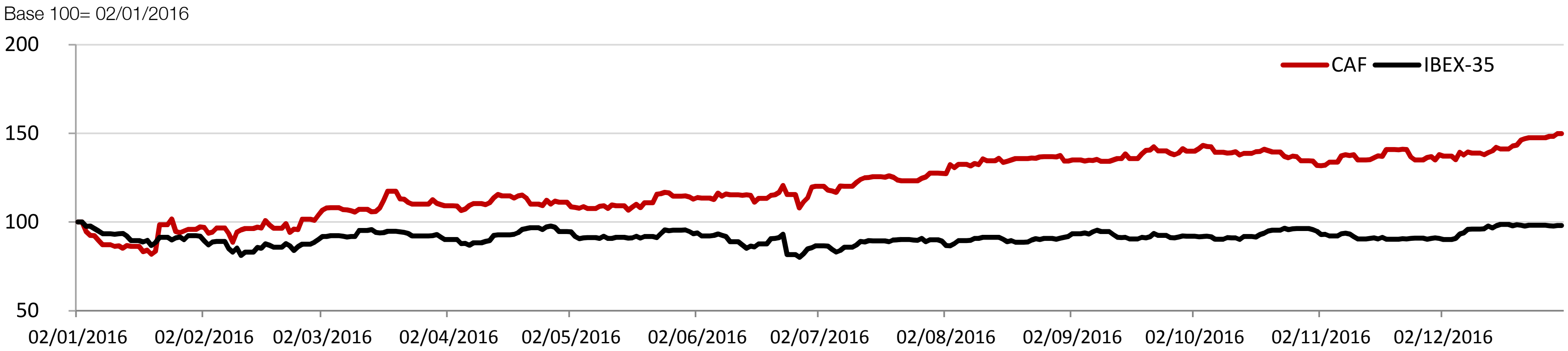
The significant **improvement in working capital** is the main driver for the decrease in NFD

Net Financial Debt (Net Debt Bridge)

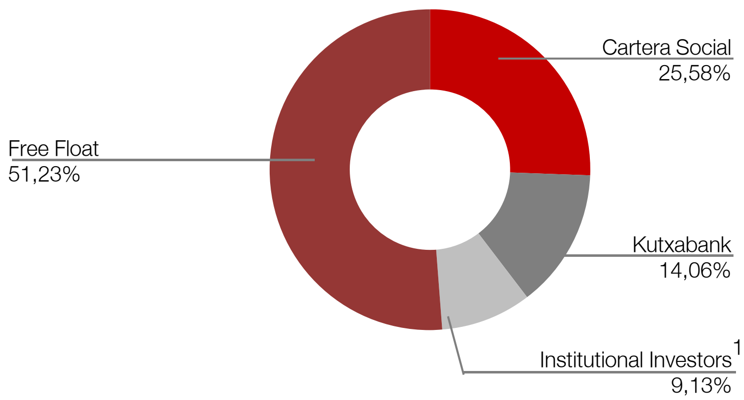
(in millions of EUR)



Stock Market Information

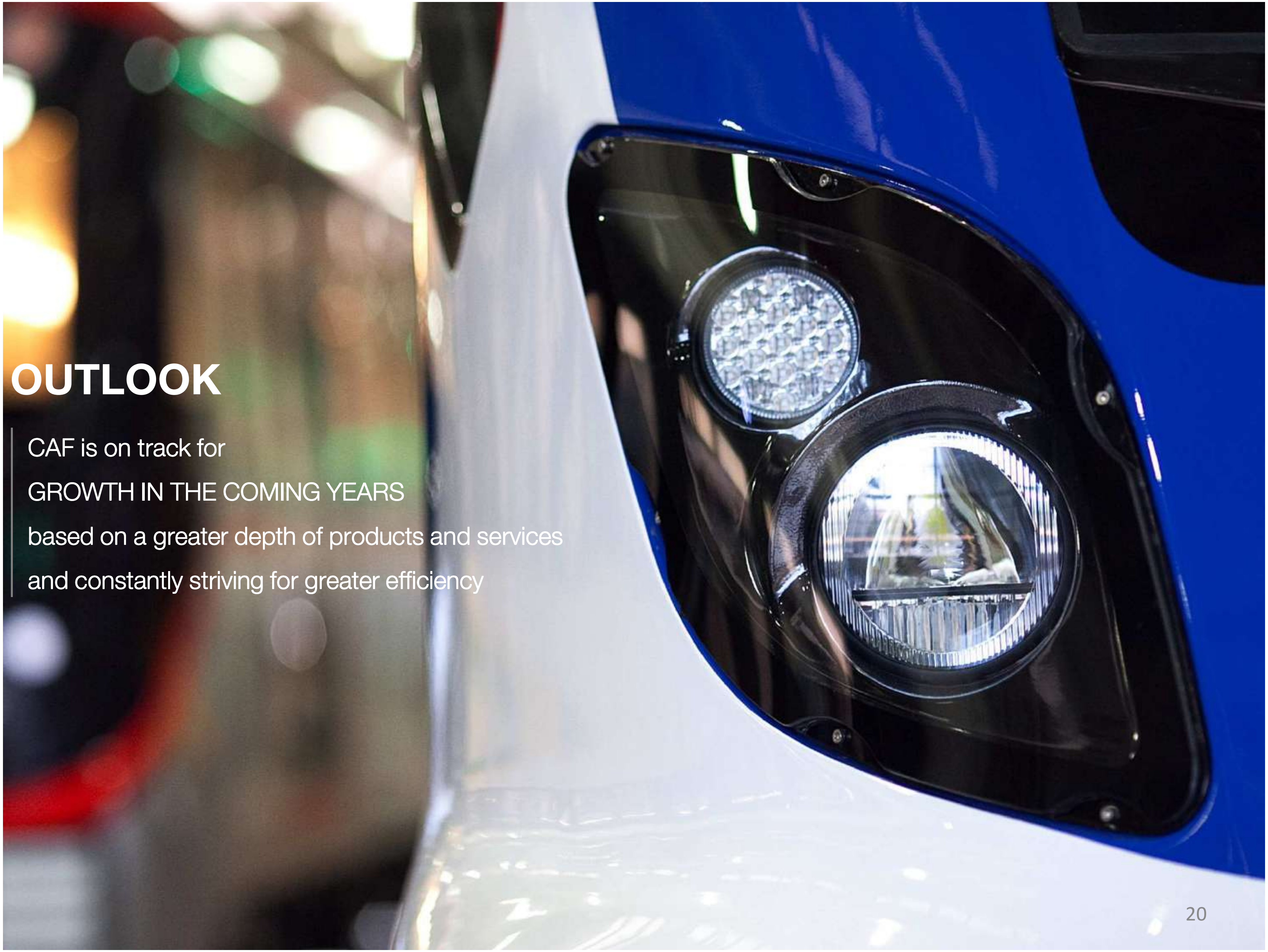


Shareholding Structure 31/12/2016



Stock market information	2016
Net earnings per share (EUR)	1.02
Market capitalisation (EUR)	1,312,952,725
No. of shares	34,280,750
Latest share price (EUR)	38.3
Maximum share price (EUR)	38.4
Minimum share price (EUR)	20.7
Traded volume (no. of securities)	15,621,378
Free-float rotation	95%
Turnover (EUR)	484,861,042

[1] Includes investors with holdings over 3% or 1% in the case of investors with head office in tax havens



OUTLOOK

CAF is on track for

GROWTH IN THE COMING YEARS

based on a greater depth of products and services

and constantly striving for greater efficiency

Outlook

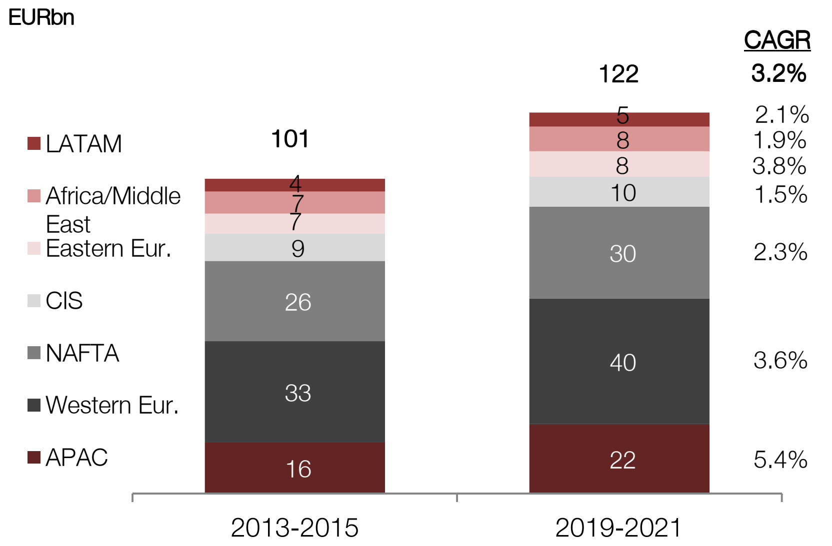
Immersed in a new growth cycle

- 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

Outlook

CAF's position in the market
aligned with UNIFE forecasts

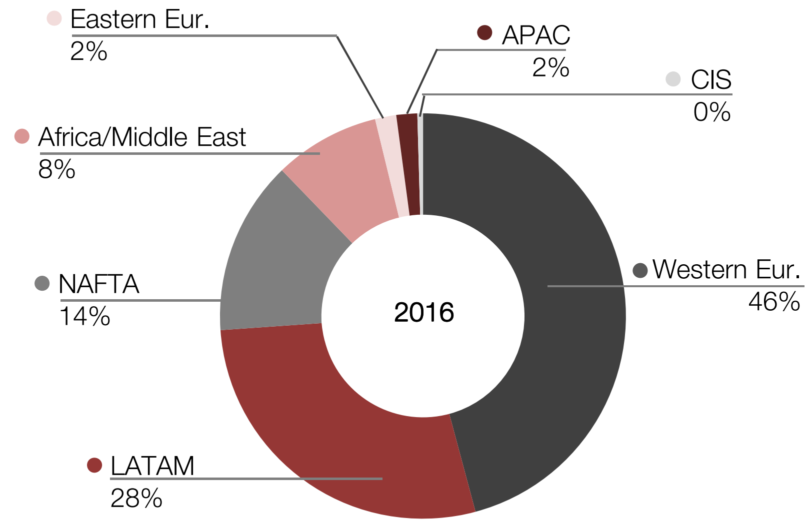
UNIFE Market[1] Forecast by geography



- **Forecast of stable growth in the global railway supply market** for the next 6 years, with a *CAGR* **of 3.2%.**

[1] Accessible Market

CAF's Positioning – Revenue breakdown by geography

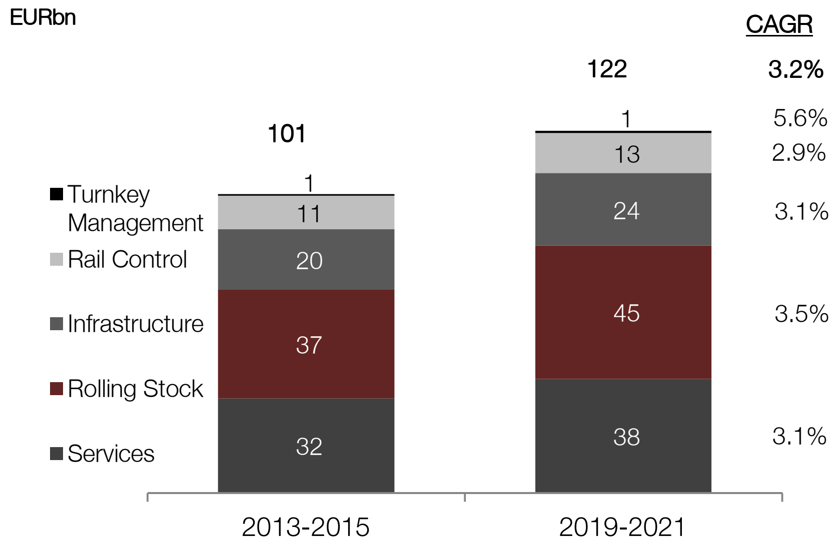


- **Europe and NAFTA** are the regions in which CAF is currently **well positioned in terms of revenue.**
- Special focus on **Western Europe, NAFTA** and some countries in **APAC** region, which represent the highest volumes in the global market.

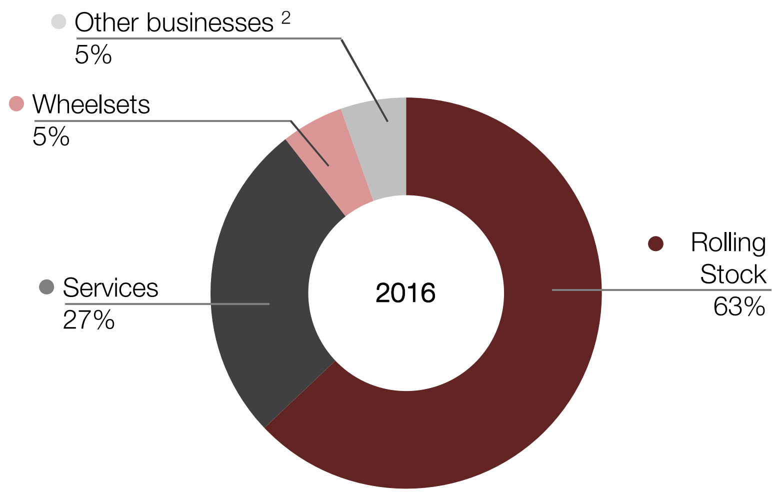
Outlook

CAF's position in the market
aligned with UNIFE forecasts

UNIFE Market[1] Forecast by Segment



CAF's Positioning – Revenue breakdown by Segment



- The forecast indicates that **Rolling Stock (Vehicles) and Services** are the main **drivers of** absolute growth in the railway sector.

- In fact, **Rolling Stock and Services** are the **most developed segments in CAF** and represent its highest revenues.

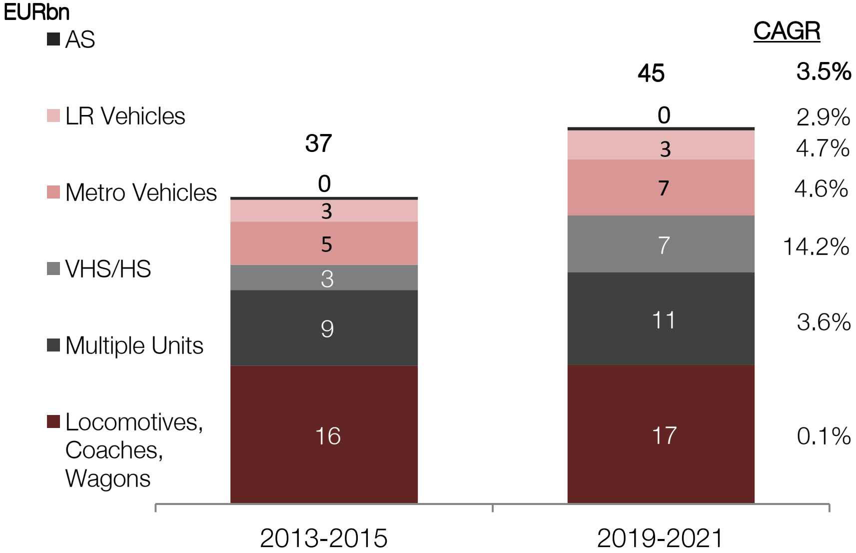
[1] Accessible Market

[2] Includes the businesses of traction and control equipment, communication systems, signalling systems, integration engineering, etc.

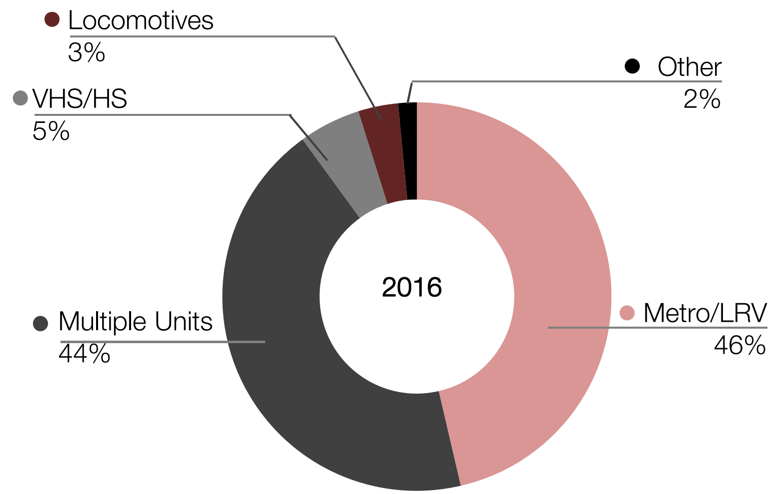
Outlook

CAF's position in the market
aligned with UNIFE forecasts

UNIFE Market[1] Forecast by vehicle type



CAF Positioning – Backlog breakdown by Vehicle Type



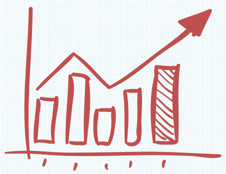
- The highest **volumes** are concentrated in the **Locomotives/Cars/Wagons and Multiple Units** segments.
- **The Very High Speed/High Speed and Urban** segments are the types of vehicle with greatest **growth** expected in the market.

- **90% of CAF's backlog is based on Urban and Multiple Units,** and they continue to be the main segments on which the company will focus.

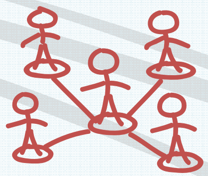
Outlook

The main strategic lines defined for 2017-2020 period are built around the following axes:

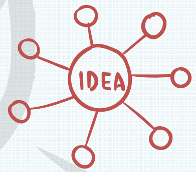
1. **Greater growth in vehicles**



2. **Strengthening of the services business**



3. **Growth of other businesses**

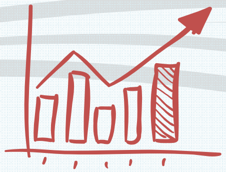


Outlook

The main strategic lines defined for 2017-2020 period are built around the following axes:

1

Greater growth in vehicles



Greater growth in rolling stock based on:

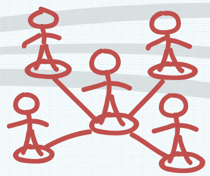
- Commercial and industrial focus on key growth regions
- Development of standardised platforms for the key markets/segments
- Expansion of the Modularisation programme across the entire value chain
- Progressive development of the digital factory 4.0 at our facilities
- LCC Optimisation Programme of our products

Outlook

The main strategic lines defined for 2017-2020 period are built around the following axes:

2

Strengthening of the services business



Strengthening of the services business via:

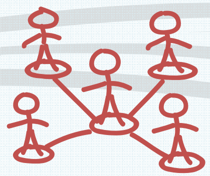
- Proactive search for Public Private Partnership contracts related to railway transport
- Accelerated development of the Vehicle refurbishment business
- Turnkey solutions: construction, maintenance and operation
- Search for new Digital businesses

Outlook

The main strategic lines defined for 2017-2020 period are built around the following axes:

3

Growth of other businesses



Growth of other businesses:

- Technological Subsidiaries at the necessary level of maturity for growth
- Levels of investment in R&D are maintained in order to provide the CAF Group with advanced technological solutions, and to provide the technological subsidiaries with the appropriate portfolio, to assure their commercial development

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