



FIRST HALF 2018 RESULTS PRESENTATION



25 July 2018

AT A GLANCE

Growth in activity and profit,
in a context of balance sheet strength



(in millions of EUR)

	1H2018	1H2017	% change
Order intake	407	454	(10%)
Revenue	943	755	25%
EBITDA margin	9.2%	11.4%	-
EBIT margin	7.1%	9.0%	-
Net profit	18	16	12%

	30/06/2018	31/12/2017	% change
Backlog	5,728	6,265	(9%)
Working capital	236	247	(5%)
Net financial debt	206	219	(6%)
Equity	726	750	(3%)

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- Order Intake
- Backlog
- Consolidated Statement of Profit or Loss
- Consolidated Statement of Financial Position
- Corporate transactions
- Stock Market Information
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Order intake

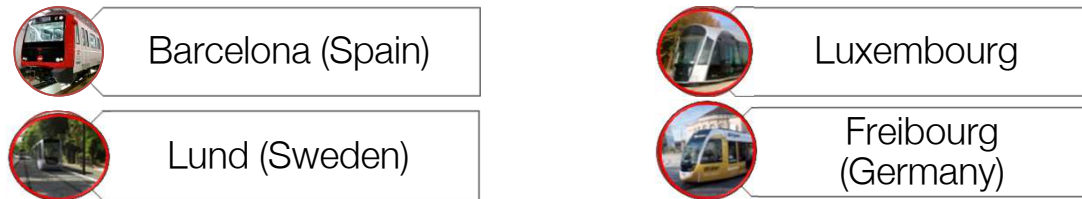


Contracts in Europe,
with customers showing renewed trust in CAF

(in millions of Euros)

	2015 Q1-Q4	2016 Q1-Q4	2017 Q1-Q4	2018 ¹	
				Q1	Q1-Q2
Order intake	902	2,677	1,514	143	407 ²

The main contracts signed and included in the order backlog in the second quarter of 2018 are:



These contracts, in addition to those announced in the first quarter of the year, represent mostly, extensions of previous contracts or new projects with customers already known by CAF.

The order intake figure includes significant amounts from other businesses, such as Services, MiiRA and other business lines, included hybrid and electric bus contracts awarded to Vectia, and traction converters contracts gained in CAF Power&Automation. In addition, adjustments to projects in progress (mainly gains, losses and translation adjustments) are also included.

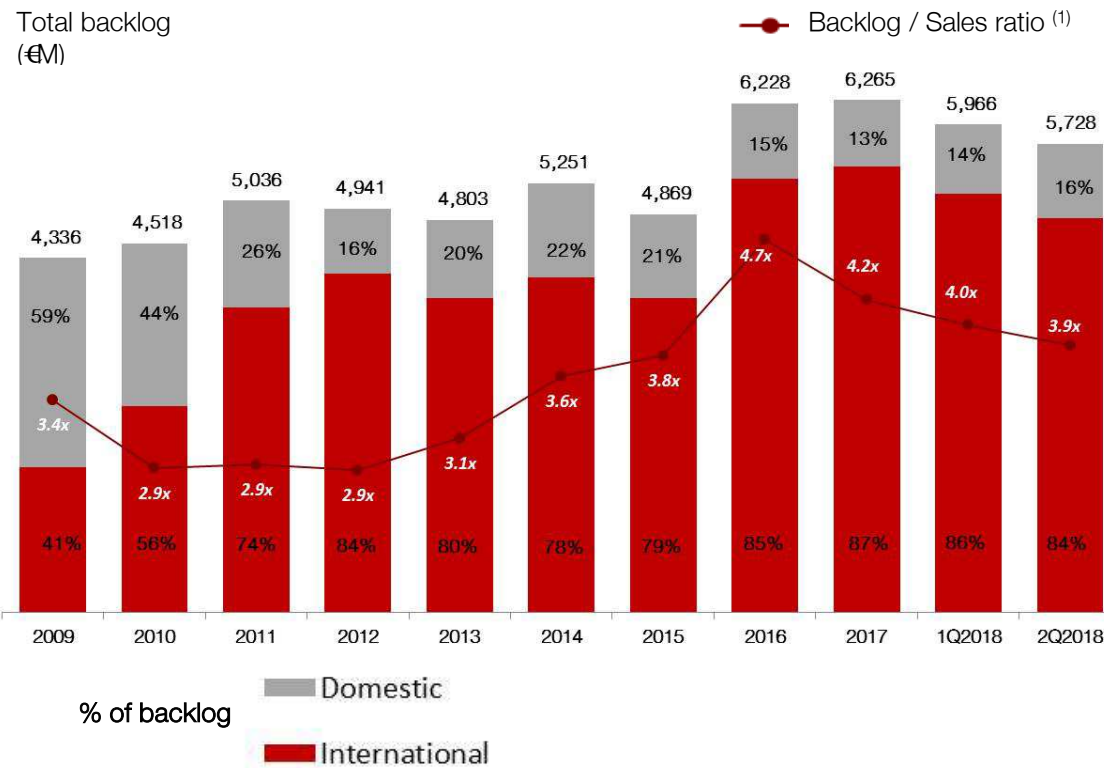
¹ Order Intake obtained as: (Period End backlog– Period Start backlog + Period revenues), considering the signature of the contract as criterion for its recognition in the order backlog.

² This figure does not include options contemplated in several signed projects.

Backlog



The smaller backlog reflects the fulfilment of production programmes, and excludes over EUR 1,000 million of projects pending signature



The order backlog as of 30 June 2018 stood at EUR 5,728 million, equivalent to 3.9x annual revenue of 2017.

The bulk of the backlog entails international orders, spread out over more than 50 countries.

CAF also has a total volume over EUR 1,000 million worth of **projects pending signature** or in which CAF is **preferred bidder**, included in the following projects :

- Metros for Amsterdam (the Netherlands)
- Trams for Oslo (Norway)
- DMUs for the Wales & Borders franchise (UK), where CAF is preferred bidder

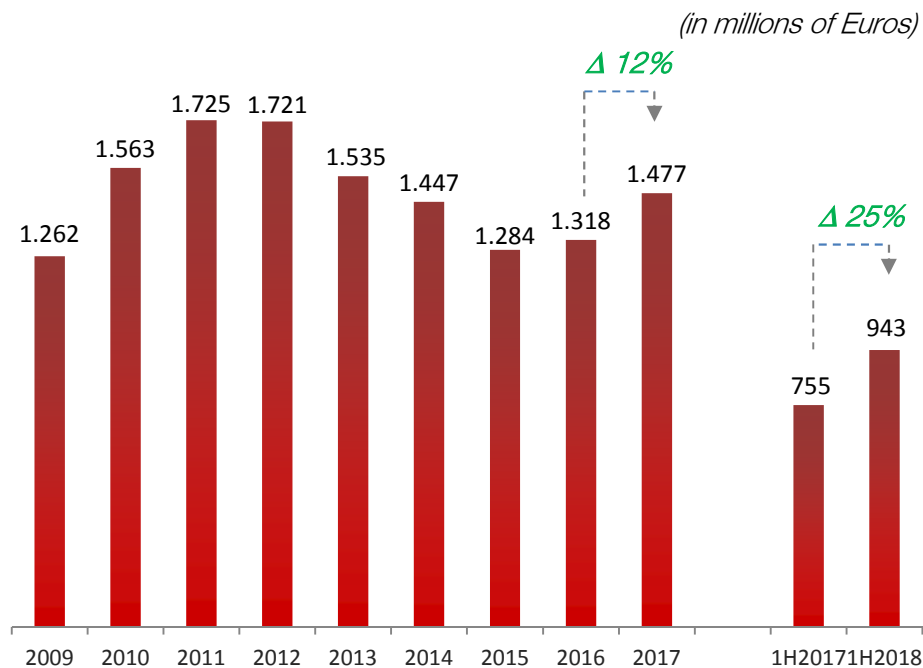
¹ Backlog / Sales ratio of each quarter of 2018, calculated against total annual revenue of 2017.

Consolidated Statement of Profit or Loss

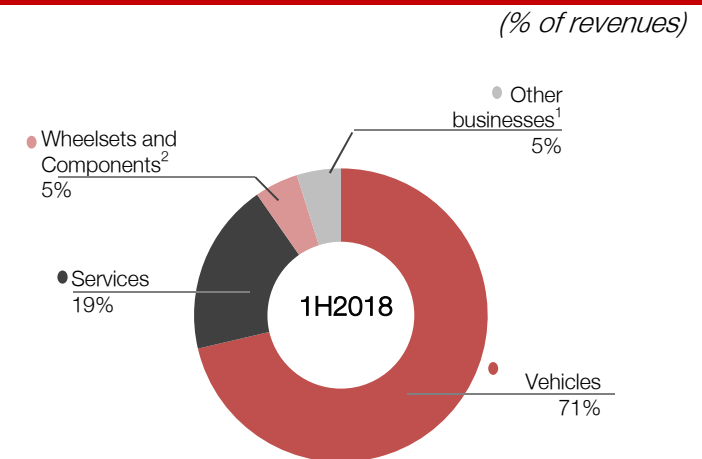


Higher pace of growth, especially in the Vehicles business

Net Turnover Evolution



Net Turnover Breakdown by segment



The large order backlog related to vehicle manufacturing projects is driving an acceleration in sales in this business and raising its weight in the revenue mix.

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

² The Wheelsets and Components business is marketed through the MiiRA brand

Consolidated Statement of Profit or Loss



Increase in profit before tax,
but not in the bottom line due to the impact of the new regional CIT law

(in millions of Euros)

	1H2018	1H2017	% change
Revenue	943	755	25%
EBITDA	87	86	1%
D&A and impairments	(20)	(19)	5%
EBIT	67	68	(1%)
Financial result	(30)	(43)	(30%)
Profit before tax	36	25	46%
Income tax	(19)	(9)	107%
Net profit	18	16	12%

The increase in activity in the first half of the year, coupled with an improvement in the financial result, drove a 46% increase in **Profit before tax**.

Income tax expense rose due to the **new regional corporate income tax (CIT) law** approved, where the Group has its headquarters for tax office. This change in the applicable tax framework resulted in temporary accounting adjustment, with no impact on cash or dividends.

Consolidated Statement of Financial Position

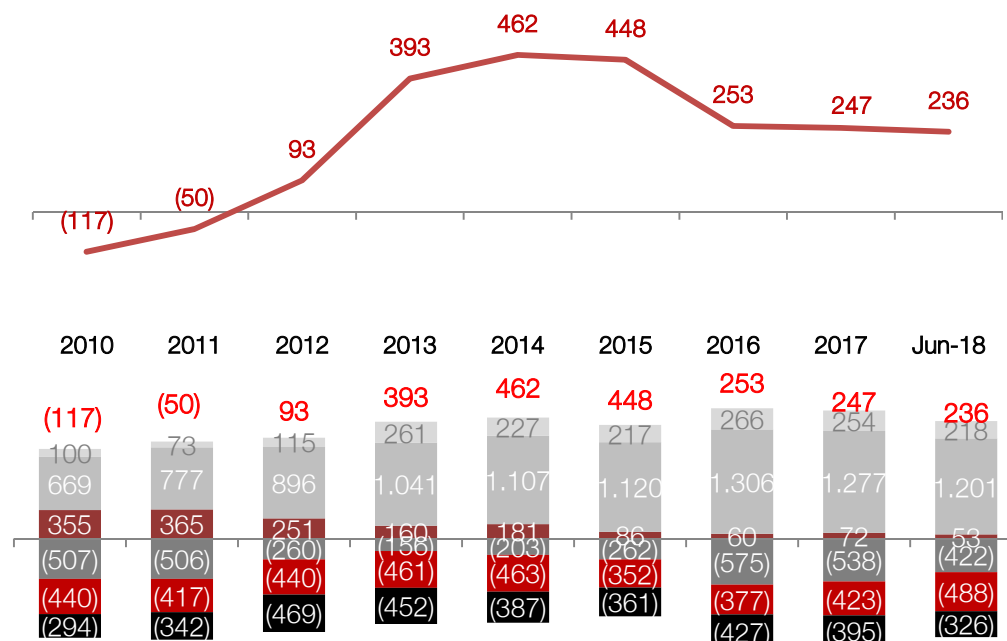
> Working capital



Stability in working capital
amid rapid growth in activity (+25%)

WORKING CAPITAL

(in millions of Euros)



Receivables on projects ordered at the end of 2017 and on various ongoing projects, not only sustained, but improved, the Company's working capital, in the context of strong growth in activity.

■ Inventories ■ Receivables ■ Other Current Assets¹ ■ Prepayments ■ Payables ■ Other Current Liabilities¹

¹ Includes the following balance sheet items:

- Other current Assets: Other receivables, Current tax assets, Current asset derivatives and Other current assets
- Other Current Liabilities: Current provisions, Other payables excluding customer prepayments, Current tax liabilities and Current liability derivatives.

Consolidated Statement of Financial Position

> Financial position



The Company improved its liquidity and maintained a solid financial position

Gross Financial Debt

(in millions of Euros)

	2011	2012	2013	2014	2015	2016	2017	Jun18
Gross debt – Concessions	239	492	446	421	346	364	283	252
Gross debt – Corporate	9	101	268	429	531	403	406	479
TOTAL	248	593	714	850	877	767	689	731

Gross financial debt increased by EUR 42 million in the first half of the year, improving the Company's liquidity.

The impact of the foreign currency translation on total gross financial debt was a reduction of EUR 16 million and relates mainly to the Brazil concession.

Cash and Financial Investments¹

(in millions of Euros)

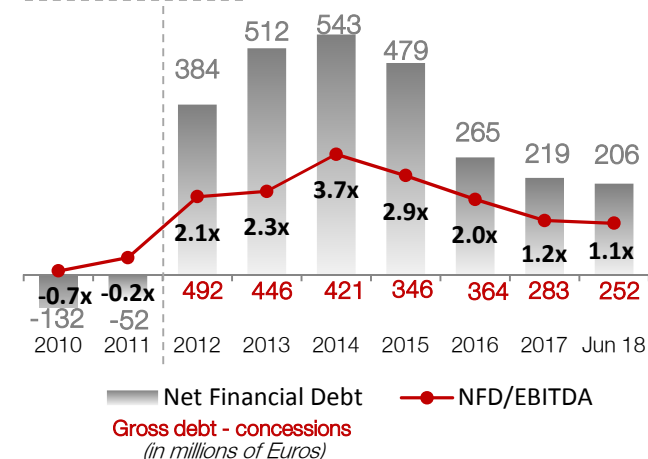
	2011	2012	2013	2014	2015	2016	2017	Jun18
TOTAL	300	208	202	306	399	502	470	525

Increase in the Company's liquidity.

¹ See breakdown in Note 10 c) of the Notes to the Abbreviated Consolidated Financial Statements at 30 June 2018

Net Financial Debt³

Beginning of concessions²



Net financial debt declined, while the NFD/EBITDA ratio reached its lowest level since the beginning of the concessions.

² PPP-5000 in Brazil and L12 in Mexico

³ NFD/EBITDA Ratio at Jun/18 calculated on EBITDA of the last 12 months

Consolidated Statement of Financial Position

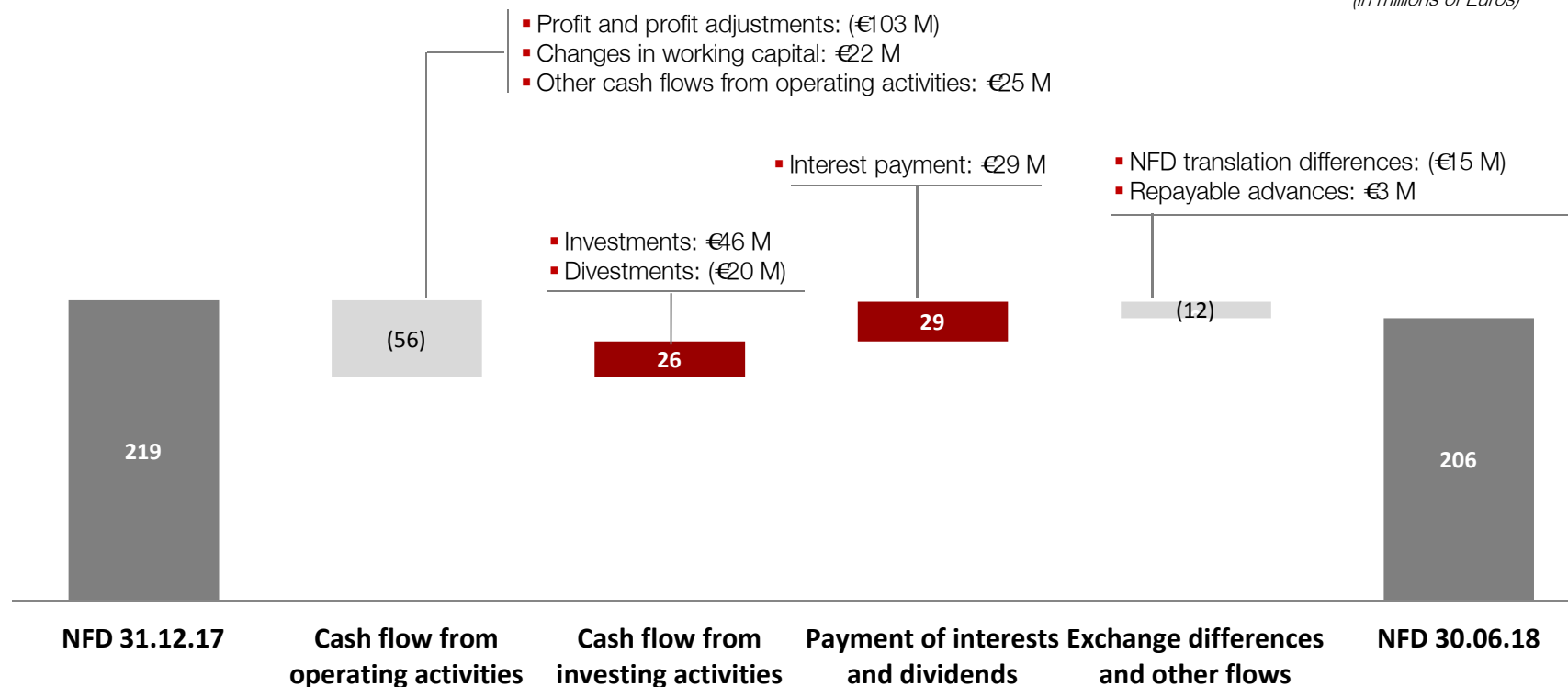
> Net financial debt



The Company improved its liquidity and maintained a sound financial position

Net Financial Debt (Net Debt Bridge)

(in millions of Euros)



Corporate transactions

> Solaris



Jul/2018 - CAF enters into agreement to acquire Polish company, SOLARIS, a leading supplier of hybrid, electric and conventional buses, making the CAF group the European leader in sustainable urban mobility systems.



Process situation:

- ✓ **Initiated** the approval process by Competition Authorities
- ✓ **Closing** foreseen in Sep/2018

General Information	Main Figures (2017)	Technology/Products	Market/Clients
<ul style="list-style-type: none"> • Solaris Bus & Coach S.A. • Company founded in 1996 • Manufacturing plants in Poland 	<ul style="list-style-type: none"> • 1,397 buses sold • 2,319 employees • EUR 444 million in revenue 	<ul style="list-style-type: none"> • Full range of solutions: conventional, hybrid and electric • Focused on the urban segment • Pioneer in e-mobility solutions in Europe. • Multiple charging solutions 	<ul style="list-style-type: none"> • Experience with c.700 clients • > 60% of units sold to international clients • Main markets: Germany & Poland











Corporate operations

> Solaris



(continued)

Solaris offers the widest range of e-mobility solutions in the market

Conventional		E-mobility		Services			
DIESEL & CNG		E-MOBILITY PRODUCTS		CHARGING SYSTEMS		AFTERSALES SERVICE	
Urbino (Diesel)	 Diesel Urban Bus <i>Multiple lengths</i>	Urbino Electric	 Zero-emission urban bus <i>Multiple lengths</i>	Plug-in	 Nuremberg Paris Warsaw	Maintenance	
InterUrbino	 Diesel Interurban Bus <i>Multiple lengths</i>	Urbino Hybrid	 Hybrid Urban Bus <i>Multiple lengths</i>	Induction	 Berlin Braunschweig		
CNG Urbino	 GNC Urban Bus <i>Multiple lengths</i>	Trollino	 Zero-emission Trolleybus <i>Multiple lengths</i>	Pantograph	 Rzeszów Oslo Hannover		
				Fuel cell	 Hamburg Riga Bergamo	Spare Pars	

- Consolidated range, with more than 14,000 references

- First electric bus launched in 2011
- C.2,000 units sold

- E-mobility product range with all possible solutions (hybrid, trolleybus, battery and fuel cell), well ahead of competition

- High potential due to expected increase in demand for aftersales services related to e-mobility

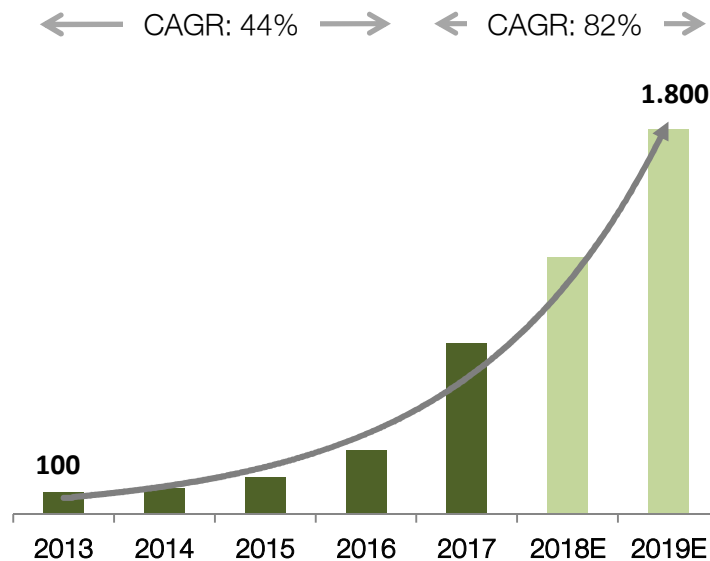
Corporate operations > Solaris



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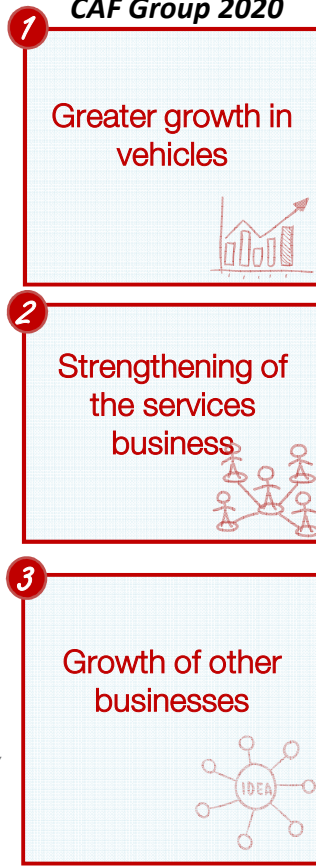
Excellent positioning to capitalise on the opportunities of a growing market

European demand for electric buses



Number of units. Approximate figures.
Source: Solaris Bus & Coach S.A., The World Bus & Coach Manufacturing Industry Report 2016, VDA Bus Report 2017

Strategic Plan CAF Group 2020



Solaris generates opportunities for growth in CAF's core segments

- Solaris' leadership in **Central and Eastern Europe** in the urban segment will provide new opportunities to the vehicles segment.
- Cross-selling opportunity: offering of Solaris products to CAF's current customer base, as well as CAF's urban products (Trams and LRVs) to Solaris' customer base
- **Significant opportunity** to expand the services business (maintenance and spare parts) due to:
 - Greater expected demand of e-mobility related services
 - Support from the know-how developed in CAF's Rail Services business
- Supports growth of urban bus business from CAF Group, based on:
 - Technological capacity and ability to design charging infrastructure solutions and turnkey projects from CAF Turnkey&Engineering, along with power train and energy accumulation technology from CAF Power&Automation.
 - CAF's know-how in financing activities
- Opportunity for additional growth in **propulsion systems and charging solutions**

Corporate operations > Orbital



Jul/2018 – CAF secures shareholding in Orbital Critical Systems, a provider of solutions in critical systems that will strengthen CAF's technical capabilities in core areas and provide access to high added value sectors

Critical Systems



CAF application

TIER 1 Supplier

- Software and Hardware solutions for critical systems and related test benches
- For the aeronautics, space and rail industries, among others.
- With consolidated references in Airbus, Airbus Defense and CAF
- High engineering capabilities with hefty investment in R&D
- Located near its leading customers in Noain, Madrid and Ulm (Germany)

Critical signalling systems

- Reinforcement of CAF Signalling's capabilities. Application of best practice in aeronautics.
- Simplification of ERTMS testing and validation strategies

New critical systems in railways

- Support for CAF R&D and CAF P&A in the development of new systems and adaptation of existing ones to new regulatory frameworks



Stock Market Information



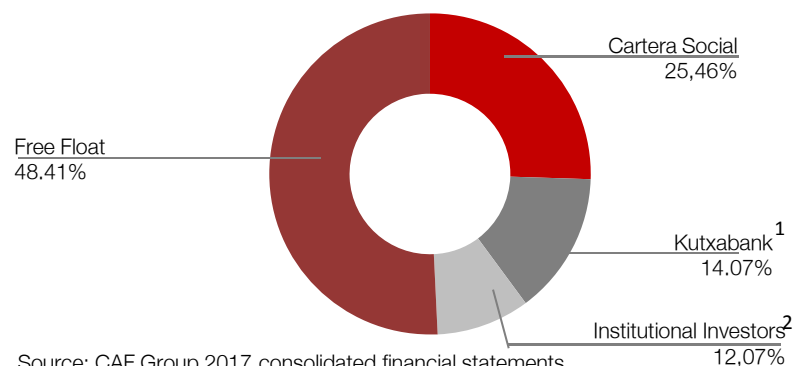
Base 100= 02/01/2018



Fuente: Thomson Reuters Datastream

Shareholding structure

31/12/2017



Source: CAF Group 2017 consolidated financial statements

¹ Includes share of Fundación Bancaria Kutxa

² Includes investors with holdings of over 3% or 1% in the case of investors with head offices in tax havens

Stock Market Information

2018
(at 30/06)

Market capitalisation at close (Euros)	1,408,938,825
No. of shares	34,280,750
Last share price (Euros)	41.1
Maximum share price (Euros)	43.6
Minimum share price (Euros)	33.7
Traded volume (thousands of shares)	5,975
Cash traded (thousands of Euros)	235,554

Source: BME

Outlook



GROWTH

The Company's favourable outlook is maintained:

- Maintenance of double-digit turnover growth in 2018
- Upward trend in profit in the coming financial years, supported by:
 - a) Increased activity, especially in the European manufacturing plants
 - b) Order intake margin in line with that achieved in the past
 - c) Backlog with lower execution risk
 - d) Operational excellence and efficiency programmes:
 - Improvement in manufacturing and industrialisation management
 - Optimisation of supplier performance in terms of quality and deliveries
 - Globalisation of purchasing and improvement in its management
 - Efficient inventory management
 - Digitalisation of processes
- Ambition to maintain current historic backlog, based on stable value of open tenders above EUR 6 billion
- 2020 strategic lines in progress: plan for growth in all businesses





APPENDICES

Consolidated statement of profit or loss

Consolidated statement of financial position

Projects signed and awarded in 2Q2018

Consolidated statement of profit or loss



(in millions of Euros)

Statements of Profit or Loss	1H2018	1H2017	% change
Revenue	943	755	25%
Other income (*)	9	7	29%
Procurements and changes in inventories	(469)	(341)	38%
Staff costs	(260)	(230)	13%
Other operating expenses	(135)	(105)	28%
EBITDA	87	86	1%
% margin	9.2%	11.4%	
D&A	(20)	(19)	5%
Impairments and gains/losses on disposals	0	(0)	0%
EBIT	67	68	(1%)
% margin	7.1%	9.0%	
Finance income	4	4	(6%)
Finance costs	(31)	(35)	(12%)
Exchange differences	(3)	(12)	(77%)
Other financial gains and losses (**)	(0)	0	0%
Financial result	(30)	(43)	(31%)
Result of companies accounted for using the equity method	(1)	0	(100%)
Profit before tax	36	25	46%
Income tax	(19)	(9)	107%
Net income	18	16	12%
% margin	1.9%	2.1%	

(*) Considers Other Operating income and in-house work on non-current assets

(**) Considers Impairment and gains and losses on disposals of financial instruments and Change in fair value of financial instruments

Revenue increased by 25% year-on-year in the first half of 2018, driven by an increase in industrial activity in the vehicles area.

The **international market** represented 90% of sales.

Commuter trains for NS in the Netherlands, regional trains for the Northern and Transpennine franchises, both in the UK, the Brussels metro units and the commuter trains for the new line between Mexico D.F. and Toluca, constitute the **main vehicle projects** in execution in the first half of 2018.

Consolidated statement of profit or loss



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Increase of **staff costs** of 13%, lagging the growth of activity.

Growth in **profit before tax** of 46% owing mostly to a smaller exchange-rate impact and an improvement in finance costs.

Income tax includes the impact of the new regional CIT law, which led to a higher accounting expense (no impact on cash or dividends).

Consolidated statement of financial position



(in millions of Euros)

Consolidated balance sheet	30/06/2018	31/12/2017	% change
Assets			
Intangible assets	76	71	8%
Property, plant and equipment, net	252	245	3%
Investments accounted for using the equity method	12	20	(39%)
Non-current financial assets	543	577	(6%)
Deferred tax assets	137	145	(6%)
Non-current assets	1,020	1,056	(3%)
Inventories	53	72	(26%)
Trade receivables for sales and services	1,201	1,277	(6%)
Other receivables	193	198	(3%)
Current tax assets	13	10	30%
Other current financial assets	96	127	(24%)
Other current assets	5	3	55%
Cash and cash equivalents	423	372	14%
Current assets	1,984	2,059	(4%)
Total assets	3,004	3,115	(4%)
Equity and liabilities			
Total Equity	734	760	(3%)
Long-term provisions	7	7	0%
Non-current bank borrowings and liabilities	582	626	(7%)
Other non-current financial liabilities	55	70	(22%)
Deferred tax liabilities	149	154	(3%)
Other non-current liabilities	59	56	6%
Non-current liabilities	852	913	(7%)
Short-Term provisions	144	228	(37%)
Current bank borrowings and liabilities	134	46	190%
Other current financial liabilities	95	93	2%
Trade and other payables	1,044	1,075	(3%)
Other current liabilities	1	0	100%
Current liabilities	1,418	1,443	(2%)
Total equity and liabilities	3,004	3,115	(4%)

Property, plant and equipment

Investment in property, plant and equipment in the first half reached EUR 23 million and featured the ongoing work on the new plant in Newport (Wales).

Non-current financial assets

These refer mainly to assets linked to concession contracts. In these contracts, the future cash flows are determined and guaranteed (without demand risk). The cash flows in BRL are indexed to local inflation.

The decrease in the year is due to the amounts received under the framework of these contracts and the exchange-rate effect (mostly BRL depreciation).

Current assets

After IFRS 15 became effective, contractual provisions for penalties and similar items are recorded as a reduction in selling price. Therefore, the balance of **Trade receivables for sales and services** decreased by EUR 84 million as a result of the transfer from **short-term provisions**.

Consolidated statement of financial position

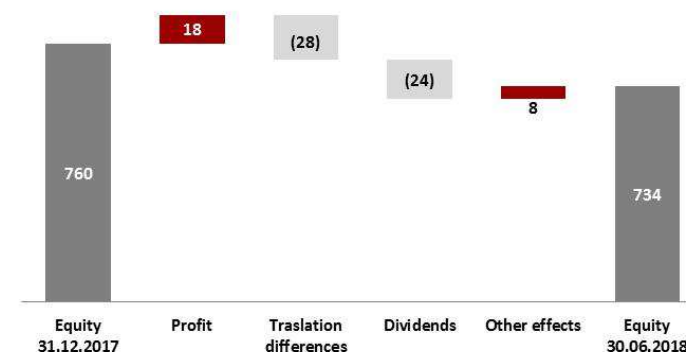


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Equity

Movements in equity related mainly to profit for the period, exchange-rate effects and the payment of dividends approved at the Annual General Meeting.



Non-current liabilities

Non-current bank borrowings and liabilities: decrease in the volume gross debt as a result of transfers to current bank borrowings and the impact of BRL depreciation.

Consolidated statement of financial position



(in millions of Euros)

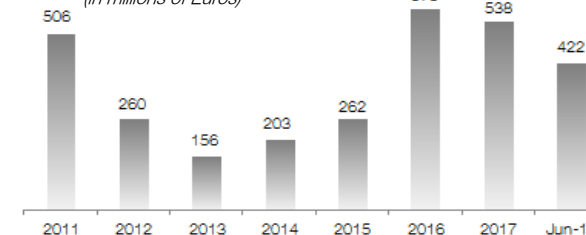
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Current liabilities

Short-term provisions were lower than last year, impacted by application of IFRS 15, which resulted in a reduction in Trade receivables for sales and services (EUR 84 million).

Current bank borrowings and liabilities increased from 31 December 2017, basically as a result of the commercial paper issues made and the reclassification to current of non-current borrowings arranged in previous years.

Customer prepayments
(in millions of Euros)



Trade and other payables were in line the levels at year-end 2017, as the increase in procurements and payables to employees offset the decrease in customer prepayments.

Projects signed and awarded in 2Q2018



Freibourg (Germany) – *Contracted and in the backlog*

CAF has signed a contract to supply the city of Freiburg new trams, in addition to the URBOS fleet of 12 trams already supplied and in commercial service.

The project consists of:

- The supply of 5 seven-car units
- The option to request 7 additional units



Lund (Sweden) – *Contracted and in the backlog*

Sweden-based transport operator Skånetrafiken from the region of Skåne, in Southern Sweden, has ordered new tram units from CAF for the URBOS family in the city of Lund.

The project consists of:

- The supply of 7 five-car units
- Integral maintenance of the units for 10 years
- The option to request additional units



Projects signed and awarded in 2Q2018



Luxembourg – *Contracted and in the backlog*

Luxtram has awarded CAF a contract for the supply of new tram units of the URBOS family similar to the 21 units already in service. These units will be equipped with supercapacitor accumulator technology and ground-level, rapid charging at stations, like those currently in service.

The project consists of:

- The supply of 12 five-car units



Amsterdam (The Netherlands) - *Awarded and pending signature*

The Amsterdam public transport company (GVB Activa B.V.) has selected CAF to supply metro units for the city network. These new metros will be prepared for driverless operation, and will be added to the 37 previously supplied by CAF. This contract was not included in the backlog at the end of the first half of 2018.

The project consists of:

- The supply of 30 three-car units
- Options to request up to 30 additional metros units and the optional extension of the ordered metros to six-cars

Projects signed and awarded in 2Q2018



(continued)

Wales & Borders (UK) – Preferred supplier

On 8 June, KeolisAmey selected CAF as preferred bidder to supply diesel multiple units (DMUs) that will be operated by the Wales & Borders rail franchise. The DMUs are based on the Civity UK platform and their final assembly will be carried out at CAF's new facility at the Celtic Business Park in Newport (South Wales).

The project consists of:

- The supply of 51 two-car units
- The supply of 26 three-car units
- The maintenance of the units until the end of the franchise, in 2033



Oslo (Norway) – Awarded and pending signature

Sporveien, the urban public transport operator of the Norwegian capital, has selected CAF for the supply of new tram units of the URBOS family for the city of Oslo.

The project consists of:

- The supply of 87 five-car units
- The option to request 60 additional units



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