



TALGO, S.A. ("Talgo" or the "Company") pursuant to the article 228 of the restated text of the Securities Market Law approved by the Royal Legislative Decree 4/2015, of 23 October, pone we hereby inform Comisión Nacional del Mercado de Valores (National Stock Market Commission, "CNMV") that

RELEVANT FACT

On the date hereof, the Board of Directors of Talgo has resolved to implement a buy-back programme of the Company's own shares (the "Buy-back Programme") in accordance with the authorisation granted by the General Shareholders' Meeting held on 28 March 2015, under item 12 of the agenda

The Buy-back Programme is carried out pursuant to the Regulation 596/2014 and the Commission Delegated Regulation (EU) 2016/1052, of 8 March 2016, supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the conditions applicable to buy-back programmes and stabilisation measures (the "Regulation") and will be executed under the following terms:

Subject of the Buy-back Programme: to reduce the share capital of the Company through the redemption of own shares, subject to the prior approval of the forthcoming General Shareholders' Meeting, under such terms as are approved by it, all within the framework of agreements of a capital increase charged to reserves for the purpose of remunerating shareholders ("scrip dividend"), which are scheduled to be submitted to the General Shareholders' Meeting.

Maximum investment: the Buy-back Programme of the Company's own shares will reach up to a maximum of 2,500,000 shares, representing approximately 1.83% of the share capital of Talgo as of the date hereof and the maximum pecuniary amount allocated to the Buy-back Programme will be euro 10,000,000.

Price and volume terms: the shares will be purchased subject to the price and volume conditions set forth in article 3 of the Regulation.

- Price: the Company will not acquire shares at a price higher than the higher of: (i) the price of the last independent trade; and (ii) the highest current independent purchase bid on the trading venue where the purchase is carried out.

- Volume: the Company will not purchase more than 25 % of the average daily volume of the shares on the trading venue in which the purchase is carried out. Such limit will apply to the whole Buy-back Programme.

Period for execution: The Buy-back Programme will start on 1 March 2017 and will remain in force until 28 February 2018. Notwithstanding the above, Talgo reserves the right to early terminate the Buy-back Programme if, prior to the last effective date, the Company has acquired the maximum number of shares authorised by the Board of Directors or when circumstances render it appropriate.

The Company will be able to appoint a financial entity as main manager, for the purpose of that provided for in the Regulation.

The interruption, termination or amendment of the Buy-back Programme as well as the transactions performed pursuant to it will be duly communicated to the National Securities Market Commission through the corresponding notice of significant event, within the time periods provided by the Regulation.

Madrid, February 23rd, 2017

Talgo, S.A.

Secretary of the Board of Directors