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**CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, S.A.
NOTICE OF SIGNIFICANT EVENT**

Pursuant to the provisions of article 17 of Regulation (EU) No 596/2014, of 16 April 2014, on Market Abuse, and article 228 of the consolidated text of the Securities Market Act, approved by Legislative Royal Decree 4/2015, of October 23, and supplementary regulations, the company Construcciones y Auxiliar de Ferrocarriles, S.A., (“CAF” or “the Company”), hereby reports the following Notice of Significant Event:

Following the significant event dated July 3, 2018 (registration number 267499) related to the acquisition process of the Polish firm Solaris Bus & Coach, and after obtaining the approval of the Polish and German Anti-Trust Authorities without obligation or reservations for the parties, CAF closed the acquisition yesterday in the terms provided.

Additionally, it is announced that CAF has entered into an agreement with the Polish PFR investment fund -Polski Fundusz Rozwoju- for the acquisition by the later of a minority stake in Solaris (35%) in the same terms and conditions agreed in the previous acquisition by CAF. This agreement will materialize in the next weeks, once the administrative procedures are finished and the authorization of the corresponding regulatory entities is obtained.

Through the participation of a solid financial partner like PFR as a minority shareholder, CAF maintains the Polish identity of Solaris and strengthens its position to accomplish the ambitious growth plan of the company.

In Beasain, on 5 September 2018.