



TALGO, S.A. (“**Talgo**” or the “**Company**”), pursuant to Section 228 of the restated Spanish Securities Market Act (*Ley del Mercado de Valores*) approved by *Real Decreto Legislativo 4/2015, de 23 de octubre*, hereby discloses the following:

REGULATORY ANNOUNCEMENT (HECHO RELEVANTE)

The Board of Directors of Talgo has agreed to buy back certain own shares of the Company up to a maximum amount of 100,000,000 Euro during a maximum period of 18 months, all of it pursuant to the resolution by the General Shareholders’ Meeting of Talgo, held on 10 May 2018 under the seventh item of the agenda.

Within the frame of said agreement, the Board of Directors of Talgo has agreed to set up a buy-back programme of the Company’s own shares (the “**Buy-back Programme**” or “**Programme**”) pursuant to the authorisation granted by the General Shareholders’ Meeting held on 10 May 2018, under the seventh item of the agenda.

The Buy-back Programme will be carried out in accordance with article 5 of the *Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC* 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 “**Commission Delegated Regulation**”), and will be executed under the following terms:

Purpose of the Buy-back Programme: Subject to the prior authorisation by the General Shareholders’ Meeting, and under the terms thereby approved, to reduce the share capital of the Company by means of the redemption of own shares, so as to assist in the shareholder’s remuneration policy of the Company by increasing the earnings per share.

Maximum investment of the Buy-back Programme: The Buy-back Programme will reach up to a maximum of 22,500,000 shares, representing, approximately, 16.5% of the present share capital of Talgo and the maximum pecuniary amount allocated will be 100,000,000 Euro, all according to the maximum legal limits in force at each time. The aforementioned maximum pecuniary amount corresponds to the maximum pecuniary amount agreed by the Board of Directors in order to buy back certain own shares during a period of 18 months. Nevertheless, the Programme shall be automatically suspended until the relevant share capital decrease is carried out in the event that Talgo should become the owner, at any time during the duration of the Programme, of 9.99% of the share capital with voting rights of the Company.

Price and volume conditions: The shares will be purchased accordingly to the conditions set forth in article 3 of the Commission Delegated Regulation:

- (i) as to the price, Talgo will not purchase any share at a price higher than the higher of: (a) the price of the last independent trade, or (b) the highest current independent purchase bid on the trading venue where the purchase is carried out.
- (ii) as to the volume, Talgo will not purchase on any trading date more than 25% of the average daily volume of the shares on the trading venue on which the purchase is carried out.

Duration of the Programme: The Buy-back Programme will be in force from 19 November 2018 until 19 May 2020.

Notwithstanding the above, Talgo will be entitled to put an end to the Buy-back Programme if, prior to the last effective date (that is, 19 May 2020), the Company should have acquired, within the frame of the Programme, any number of shares for an acquisition price accounting for the aforementioned maximum pecuniary amount or the maximum amount of shares, or when circumstances render it advisable. In any case, the Programme shall be automatically suspended until the relevant share capital decrease is carried out in the event that Talgo should become the owner, at any time during the duration of the Programme, of 9.99% of the share capital with voting rights of the Company.

Santander Investment Bolsa, Sociedad de Valores, S.A.U. will be acting as lead manager of the Buy-back Programme.

The amendment, interruption or termination of the Buy-back Programme as well as the share-purchase transactions performed pursuant to it will be disclose to the Spanish Securities and Exchange Commission (*Comisión Nacional del Mercado de Valores*), in accordance with the terms set forth in the Commission Delegated Regulation, by means of the relevant regulatory announcement (*hecho relevante*).

Madrid, 15 November 2018

Talgo, S.A.
Secretary of the Board of Directors