TECNICAS REUNIDAS

FIRST QUARTER RESULTS
January – March 2015

CONTENTS:

1. HIGHLIGHTS

HIGHLIGHTS *January - March*	1Q 2015 € million	1Q 2014 € million	Var. %	Year 2014 € million
Backlog	8,454	6,242	*35.4%*	8,412
Net Revenues	906	728	*24.4%*	3,149
EBITDA	49	40	*23.0%*	170
Margin	*5.4%*	*5.5%*		*5.4%*
EBIT	45	37	*22.2%*	158
Margin	*5.0%*	*5.1%*		*5.0%*
Net Profit	38	32	*17.7%*	134
Margin	*4.2%*	*4.4%*		*4.3%*
Net cash position	570	532	*7.1%*	664

QUALITY BACKLOG DRIVES GROWTH

- **At the end of March 2015, Tecnicas Reunidas' backlog amounted to € 8,454 million, 35.4% higher than the 1Q 2014 backlog. Main awards of 1Q 2015 were: the package 3 of the Integrated Gas Development Expansion Project for GASCO in Abu Dhabi and the titanium dioxide plant for Argex Titanium in Canada. Moreover, the company will book a new project in the 2Q 2015 backlog: the GT5 project for KNPC in Kuwait.**
- **In 1Q 2015, revenues rose by 24.4% to € 906 million, as a consequence of the backlog expansion.**
- **EBITDA and EBIT, supported by sales growth, went up by 23.0% and 22.2% respectively, to € 49 million and € 45 million. 1Q 2015 Operating margin stayed at 5.0%.**
- **Net profit increased by 17.7% to € 38 million, despite a higher tax rate.**
- **At the end of March 2015, the net cash position reached € 570 million, 7.1% higher than a year ago. Dividends paid in the quarter amounted to € 35.8 million.**

2. BACKLOG

	Project	Country	Client	Estimated Delivery
Refining and Petrochemical	Heroya Industrial Park	Norway	Yara Norge AS	2018
	RAPID refinery	Malaysia	Petronas	2018
	Talara refinery	Peru	Petroperu	2018
	Sturgeon refinery	Canada	North West Redwater Partnership	2017
	Star refinery	Turkey	SOCAR	2017
	Jazan refinery	Saudi Arabia	Saudi Aramco	2017
	Antwerp refinery	Belgium	Total	2016
	Refining units Cochabamba and Santa Cruz	Bolivia	YPFB Refinación S.A.	2016
	Titanium dioxide plant	Canada	Argex Titanium	2015
	Minatitlán refinery	Mexico	Pemex	2015
	Volgograd refinery	Russia	Lukoil	2015
	Sadara	Saudi Arabia	Saudi Aramco/Dow Chemical	2015
	Kemya	Saudi Arabia	Sabic/Exxon Mobil	2015
	TAN project	Australia	Yara Int./Orica Lim./Apache Corp.	2015
	Petrokemya*	Saudi Arabia	SABIC	-
	Izmit refinery*	Turkey	Tüpras	-
Upstream & Gas	GASCO	United Arab Emirates	ADNOC / Total / Shell	2018
	Jazan IGCC	Saudi Arabia	Saudi Aramco	2017
	Oil sands	Canada	Canadian Natural Resources	2016
	Perla Offshore	Venezuela	Repsol/Eni	2016
	Touat gas field	Algeria	GDF Suez / Sonatrach	2016
	Gran Chaco	Bolivia	YPFB	2015
Power	Turów	Poland	Polska Grupa Energetyczna	2019
	Fort Hills	Canada	Suncor/Total/Teck	2017
	Nodo Energetico del Sur	Peru	Enersur	2016
	Los Mina	Dominican Republic	AES Dominicana	2016
	Ashuganj	Bangladesh	Ashunganj Power Station Company	2016

* Project in mechanical completion or carrying out services for the start up phase of the plant

Backlog as of March, 31st 2015

At the end of March 2015, Tecnicas Reunidas' (TR) backlog amounted to € 8,454.1 million, 35.4% higher than the 1Q 2014 backlog and stayed at a similar level of December 2014 record backlog.

94% of the total backlog was represented by the Oil and Gas division, while the remaining percentage was related to the Power division.

1Q 2015 order intake was € 554 million, which includes the following projects:

- Abu Dhabi Gas Industries Ltd. (GASCO) awarded TR the execution of Package 3 of the Integrated Gas Development Expansion Project, in Abu Dhabi, UAE. GASCO is a joint venture formed by ADNOC, Shell and Total. The contract was awarded under a lump sum turnkey basis and the scope includes the engineering, procurement, construction, installation, pre-commissioning, commissioning and test run of several gas processing units, gas pipelines, condensate pipelines plus all required interconnections. The contract has an approximate value of USD 700 million, with a 40 month construction schedule. This is the fourth large project that TR will execute for ADNOC.

- Argex Canada Inc., a wholly-owned subsidiary Argex Titanium Inc., awarded Tecnicas Reunidas an Engineering, Procurement and Construction (EPC) contract for a 50,000 tonne per annum Titanium Dioxide ($TiO2$) plant, which will be located in Salaberry-de-Valleyfield, Quebec, Canada. The EPC contract will be performed in two phases. The first phase is the front end engineering design completion (FEED/FEL3) work and the second phase will be for the detailed design and construction of the plant. The project value will be determined during the initial period, but the overall value of the EPC Contract (including the FEED/FEL3 portion) is currently estimated at approximately USD 200 million. The engineering works are expected to start when Argex receives the financing for the project. The company included in the 1Q 2015 backlog the FEED value only.

Since the close of the 1Q 2015, the company has been awarded another relevant project to be included in the 2Q 2015 backlog:

- Kuwait National Petroleum Company (KNPC) awarded TR the execution of the 5th Gas Train (GT5) at Mina al-Ahmadi Refinery. The contract was awarded on a lump sum turnkey basis and the scope of the project includes the engineering, the procurement, the construction, the pre-commissioning and the necessary services for the commissioning and performance test of the facilities. The main units for the project will be the pre-treatment and dehydration units, the gas fractionation and products treatment & recovery units, as well as the interconnection and utilities units for the stand alone operation of the 5th Gas Train. In addition to this main scope, TR will upgrade the safety and functionality of the current facilities at Mina Al-Ahmadi refinery. The contract has an approximate value of USD 1,400 million and a 45 month execution schedule.

3. CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT January - March	1Q 2015 € million	1Q 2014 € million	Var. %	Year 2014 € million
Net Revenues	**905.9**	**728.4**	**24.4%**	**3,149.2**
Other Revenues	1.3	0.9		4.8
Total Income	**907.2**	**729.2**	**24.4%**	**3,153.9**
Raw materials and consumables	-601.9	-447.6		-2,059.1
Personnel Costs	-136.9	-121.9		-495.3
Other operating costs	-119.3	-119.7		-429.8
EBITDA	**49.1**	**40.0**	**23.0%**	**169.6**
Amortisation	-3.7	-2.8		-12.1
EBIT	**45.4**	**37.2**	**22.2%**	**157.6**
Financial Income/ expense	4.9	1.3		8.6
Share in results obtained by associates	0.3	-0.1		-0.5
Profit before tax	**50.6**	**38.4**	**31.9%**	**165.7**
Income taxes	-12.7	-6.1		-31.3
Net Profit	**38.0**	**32.3**	**17.7%**	**134.5**

3.1 REVENUES

REVENUES BREAKDOWN January - March	1Q 2015 € million	%	1Q 2014 € million	%	Var. %	Year 2014 € million
Oil and gas	785.1	86.7%	694.8	95.4%	13.0%	2,921.6
Power	93.6	10.3%	13.8	1.9%	579.8%	139.6
Infrastructure and industries	27.2	3.0%	19.8	2.7%	37.5%	88.0
Net Revenues	**905.9**	**100%**	**728.4**	**100%**	**24.4%**	**3,149.2**

In 1Q 2015, net revenues rose by 24.4% to € 905.9 million, as a consequence of the backlog expansion.

Oil and Gas: Sales of this division increased by 13.0% and reached € 785.1 million in 1Q 2015. The oil and gas revenues accounted for 87% of total sales, supported by the large contribution of the Refining and Petrochemical business.

- Refining and Petrochemical: The projects with more contribution to sales were the following: Talara refinery for Petroperu (Peru), Jazan refinery for Saudi Aramco (Saudi Arabia), STAR refinery for SOCAR (Turkey), the three projects in Sadara for Dow Chemical / Saudi Aramco (Saudi Arabia) and Volgograd for Lukoil (Russia).

- Upstream and Natural Gas: The main contributors to sales were the following projects: Touat project for GDF Suez/Sonatrach (Algeria), Jazan IGCC for Saudi Aramco (Saudi Arabia) and the oil sands project for CNR (Canada).

Power: revenues of the power division recovered from € 13.8 million in 1Q 2014, to € 93.6 million in 1Q 2015, favoured by the new projects awarded in 2014. In 1Q 2015 the main projects with higher contribution to sales were: Fort Hills cogeneration plant for Suncor, Total and Teck (Canada) and the Nodo Energetico del Sur CCGT for Enersur (Peru).

Infrastructure and industries: In 1Q 2015 revenues of this division increased by 37.5% compared to 1Q 2014, enhanced by the contribution of the newly awarded projects. Revenues of the division amounted to € 27.2 million.

3.2 OPERATING PROFIT

OPERATING MARGINS January - March	1Q 2015 € million	1Q 2014 € million	Var. %	Year 2014 € million
EBITDA	49.1	40.0	23.0%	169.6
Margin	*5.4%*	*5.5%*		*5.4%*
EBIT	45.4	37.2	22.2%	157.6
Margin	*5.0%*	*5.1%*		*5.0%*

EBIT BREAKDOWN January - March	1Q 2015 € million	1Q 2014 € million	Var. %	Year 2014 € million
Operating Profit from divisions	64.9	54.0	20.3%	233.5
Costs not assigned to divisions	-19.5	-16.8	16.1%	-76.0
Operating profit (EBIT)	**45.4**	**37.2**	**22.2%**	**157.6**

- EBITDA and EBIT, supported by sales growth, went up by 23.0% and 22.2% amounting to € 49.1 million and € 45.4 million, respectively.
- EBIT margin was 5.0%, similar to the level of 1Q 2014.

3.3 NET PROFIT

NET PROFIT January - March	1Q 2015 € million	1Q 2014 € million	Var. %	Year 2014 € million
Net Profit	**38.0**	**32.3**	**17.7%**	**134.5**
Margin	**4.2%**	**4.4%**		**4.3%**

Financial Income/Expense January - March	1Q 2015 € million	1Q 2014 € million	Year 2014 € million
Net financial Income *	1.8	1.6	5.0
Gains/losses in transactions in foreign currency	3.1	-0.3	3.6
Financial Income/Expense	**4.9**	**1.3**	**8.6**

* Financial income less financial expenditure

In 1Q 2015, net profit rose by 17.7% to € 38.0 million driven by EBIT growth. In addition, the increase of financial income offset the negative effect of a higher tax rate.

- Financial income improved from € 1.3 million in 1Q 2014 to € 4.9 million in 1Q 2015, benefited from the gains in transactions in foreign currency.

- In 1Q 2015, the company income tax amounted to € 12.7 million, which represents an effective tax rate of 25%, a higher tax rate than the 1Q 2014 due to the application of the Law No. 27, in force since 1st January 2015.

  The Spanish Government, on November 27, 2014, passed Law No. 27 amending the Corporate Income Tax Law. With the approval of this law, the corporate income tax rate is being reduced from 30% to 28% in 2015 and to 25% from 2016. This law eliminates relevant tax allowances such as those tax allowances coming from "Union Temporal de Empresas" (UTE's) which have been consistently applied by the company since 1982.

4. CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET March 31, 2015	1Q 2015 € million	1Q 2014 € million	Year 2014 € million
ASSETS:			
Non-current Assets			
Tangible and intangible assets	116.0	113.8	113.7
Investment in associates	16.9	13.9	14.6
Deferred tax assets	108.6	38.9	81.9
Other non-current assets	16.5	13.8	18.4
	258.0	**180.4**	**228.6**
Current assets			
Inventories	20.9	24.7	23.3
Trade and other receivables	1,683.3	1,567.3	1,436.9
Other current assets	76.9	40.1	58.3
Cash and Financial assets	600.7	560.1	691.6
	2,381.9	**2,192.2**	**2,210.0**
TOTAL ASSETS	**2,639.9**	**2,372.6**	**2,438.6**
EQUITY AND LIABILITIES:			
Equity	**394.8**	**434.8**	**455.8**
Non-current liabilities	**76.8**	**48.7**	**95.0**
Financial Debt	22.9	27.0	23.7
Other non-current liabilities	53.8	21.7	71.4
Long term provisions	**32.0**	**21.7**	**36.8**
Current liabilities			
Financial Debt	7.9	0.9	3.8
Trade payable	1,828.0	1,740.8	1,653.6
Other current liabilities	300.5	125.8	193.6
	2,136.3	**1,867.5**	**1,851.0**
Total liabilities	**2,245.1**	**1,937.8**	**1,982.8**
TOTAL EQUITY AND LIABILITIES	**2,639.9**	**2,372.6**	**2,438.6**

EQUITY March 31, 2015	1Q 2015 € million	1Q 2014 € million	Year 2014 € million
Shareholders' funds + retained earnings	570.3	503.2	611.4
Treasury stock	-73.4	-73.4	-73.4
Hedging reserve	-105.2	1.2	-49.3
Interim dividends	0.0	0.0	-35.8
Minority Interest	3.0	3.8	2.9
EQUITY	**394.8**	**434.8**	**455.8**

NET CASH POSITION March 31, 2015	**1Q 2015 € million**	**1Q 2014 € million**	**Year 2014 € million**
Current assets less cash and financial assets	1,781.2	1,632.1	1,518.5
Current liabilities less financial debt	-2,128.4	-1,866.6	-1,847.2
COMMERCIAL WORKING CAPITAL	**-347.2**	**-234.4**	**-328.7**
Financial assets	66.6	63.1	63.2
Cash and cash equivalents	534.1	497.1	628.4
Financial Debt	-30.8	-27.9	-27.4
NET CASH POSITION	**569.9**	**532.2**	**664.2**
NET CASH + COMMERCIAL WORKING CAPITAL	**222.7**	**297.8**	**335.4**

- At the end of March 2015, Equity of the company fell to € 394.8 million, from € 455.8 million in December 2014, due to the distribution of dividends and the effect of the weakness of the Euro, reflected in the hedging reserves.

- In 1Q 2015, the net cash position closed at € 569.9 million, higher than the March 2014 net cash, but lower to the December 2014 net cash position, as the company did not receive any major downpayment in the quarter.

- In December 2014, the Board of Directors approved an interim dividend of € 0.667 per share (€ 35.8 million) out of 2014 results, which was paid on 15th January 2015. In February, the company announced a complementary dividend of € 0.7285 per share (€ 39.2 million) out of 2014 results, to be paid in July 2015. Consequently, total dividends to be paid in 2015, out of 2014 results, will be € 75 million, which represents the same absolute amount compared to the dividends paid in 2014.

ANNEX: FILINGS WITH CNMV RELEVANT EVENTS AND OTHER COMMUNICATIONS

In the first quarter of 2015, the company filed with the Spanish CNMV the following communications:

- Tecnicas Reunidas was awarded a contract by Abu Dhabi Gas Industries Ltd. (GASCO) for the execution of the integrated Gas Development Expansion Project Package 3 in Abu Dhabi, UAE. GASCO is a joint venture with the participation of ADNOC, Shell and Total.

  This project is part of the ADNOC program to produce 400 MMSCFD (million cubic feet) of additional gas from its offshore fields in order to increase onshore gas sales.

  The contract has an approximate value of USD 700 million with 40 scheduled months. It was awarded on a lump sum turnkey basis and the scope of TR includes engineering, procurement, construction, installation, pre-commissioning, commissioning and test run.

  The project consists of several gas processing units, gas pipelines, condensate pipelines and all required interconnections.

  This is the fourth large project for TR in Abu Dhabi. TR has successfully completed a project for the petrochemical complex of Borouge, the Sahil and Shah field development project and it is just starting up the SHAH gas gathering center.

  This new EPC (Engineering, Procurement and Construction) contract will considerably strengthen TR´s presence in Abu Dhabi and demonstrates TR´s commitment in supporting UAE´s energy developments.

- In February, the company reported to the CNMV that the Board of Directors resolved to propose at the Ordinary General Shareholders Meeting a complementary dividend of 0.7285 Euros per share, out of 2014 results. Total dividends of 2015, out of 2014 results, would be € 75 million.

- Argex Canada Inc., a wholly-owned subsidiary Argex Titanium Inc., awarded Tecnicas Reunidas an Engineering, Procurement and Construction (EPC) contract for Argex's first industrial scale 50,000 tonne per annum Titanium Dioxide (TiO_2) plant, which will be located in Salaberry-de-Valleyfield, Quebec, Canada.

The EPC contract will be performed in two phases. The first phase is the front end engineering design completion (FEED/FEL3) work and the second phase will be for the Detailed Design and Construction portion of the project. The FEED/FEL3 will be undertaken at TR's headquarters in Madrid based on Argex's basic design process package for an expected cost of USD 10 million.

Upon completion of the initial phase, the parties will agree on a guaranteed target contract price ("GTCP") for later conversion under mutual agreement for a guaranteed target contract price for the Engineering, Procurement and Construction.

The GTCP will be based on a 50/50 shared cost savings/overrun approach between Argex Canada and TR. The GTCP's expected value will be determined during the initial period but the overall value of the EPC Contract (including the FEED/FEL3 portion) is currently estimated at approximately USD 200 million.

Now that the EPC contract is signed, engineering works are expected to commence when Argex receives the financing for the project of which Argex recently announced that it had completed the technical due diligence, an important step towards financial close.

Argex Titanium Inc. has developed an advanced chemical process for the volume production of high grade titanium dioxide (TiO_2) for use in high quality paint, plastics, cosmetics and other applications. The company's unique proprietary process takes relatively inexpensive and plentiful source material from a variety of potential vendors, and produces TiO_2 along with other valuable by-products. Argex's process provides a significant cost and environmental advantage over current legacy TiO_2 production methods. The company's primary near term goal is to rapidly advance toward a 50,000 ton per annum production module as a first step in its goal to transform the 5.2 million ton per annum TiO_2.

Also, since the end of the first quarter, the company filed with the Spanish CNMV the following communication:

- Tecnicas Reunidas was awarded a contract by Kuwait National Petroleum Company (KNPC) for the execution of the 5th Gas Train (GT5) and the upgrade of the associated facilities at Mina al-Ahmadi Refinery in Kuwait.

  The contract has been awarded on a lump sum turnkey basis for an approximate value of USD 1,400 million with a 45 months project schedule. The scope of the project includes engineering, procurement, construction, pre-commissioning and the necessary services for the commissioning and performance test of the facilities.

By executing this strategic project, KNPC will increase gas treatment capacity up to 805 MMSCFD from the gathering centres South-East Kuwait (SEK) and North Kuwait (NK) oil fields, as well as additional 106.3 MBPD treatment of external condensate.

The GT5 Project, awarded to TR, consists of pre-treatment and dehydration units, gas fractionation and products treatment & recovery, as well as interconnection and utilities for the stand alone operation of the 5th Gas Train. These facilities will process gas to produce methane, ethane, propane, butane, pentane and natural gasoline. In addition to this main scope, TR will upgrade the Mina Al-Ahmadi Refinery in order to improve the safety and functionality of the current facilities.

This new contract, which represents the fourth project in Kuwait for the Spanish based Company. It will strengthen TR´s presence in Kuwait and demonstrates its commitment in supporting Kuwait´s refinery modernization projects.

Kuwait National Petroleum Company is one of the largest oil refining companies across the world and the national oil refining company of Kuwait. KNPC is fully controlled by the government owned Kuwait Petroleum Corporation (KPC).