TECNICAS REUNIDAS

FULL YEAR 2012 RESULTS
January – December

CONTENTS:

2012 Annual accounts audited by Price Waterhouse Coopers

1. HIGHLIGHTS

HIGHLIGHTS *January - December*	**Year 2012** € million	**Year 2011** € million	**Var.** %
Backlog	**6,205**	**5,387**	***15.2%***
Net Profit	**136**	**135**	***0.7%***
Margin	*5.1%*	*5.2%*	
Net Revenues	**2,652**	**2,613**	***1.5%***
EBITDA	**157**	**160**	***-1.6%***
Margin	*5.9%*	*6.1%*	
EBIT	**149**	**151**	***-1.7%***
Margin	*5.6%*	*5.8%*	
Net cash position	**646**	**740**	***-12.7%***

- **During 2012, Técnicas Reunidas was awarded with major projects, such as Yara, Margarita II, CNR Canada, Kemya, Petrokemya, Sadara and Jazan. Therefore, backlog grew by 15% and amounted to € 6,205 million. The main award booked in the fourth quarter was the Jazan project for Saudi Aramco.**
- **Net profit of the year was € 136 million, similar to the net profit of 2011. Operating profit stood at 149 million, similar to 2011. EBITDA margin stood at 5.9%, while EBIT margin was 5.6%.**
- **2012 sales reached € 2,652 million, 1.5% higher than 2011 sales. Quarterly, sales of the fourth quarter of 2012 increased by 5% compared to the sales of the third quarter.**
- **As of December 2012, net cash position of the company was € 646 million.**

2. BACKLOG

	Project	Country	Client	Estimated Delivery
Refining and Petrochemical	Jazan	Saudi Arabia	Saudi Aramco	2017
	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	2014
	Paracas chemical complex*	Peru	Nitratos del Peru	2014
	Yanbu Refinery	Saudi Arabia	Saudi Aramco	2014
	Talara Refinery*	Peru	Petroperu	2014
	Izmit Refinery	Turkey	Tüpras	2014
	Normandy Refinery	France	Total	2013
	Al Jubail Refinery	Saudi Arabia	SATORP	2013
	Khabarovsk	Russia	OC Alliance	2013
	Elefsina**	Greece	Hellenic Petroleum	-
	Crude Distillation Unit Mohammedia**	Morocco	Samir	-
	Alkylation unit**	Chile	Enap	-
Upstream & Gas	Oil sands	Canada	CNR	2016
	Margarita field II	Bolivia	Repsol/British Gas/Pan American Energy	2015
	Gran Chaco	Bolivia	YPFB	2014
	Shah	United Arab Emirates	ADNOC	2014
	Mejillones LNG tank	Chile	Codelco/GDF Suez	2013
	Zhuhai LNG terminal	China	Guangdong Zhuhai Golden Bay LNG	2013
	SAS	United Arab Emirates	ADCO	2013
	Gas compression station**	Turkey	Botas	-
Power	Dufi	Hungary	MOL / CEZ	2015
	Manifa	Saudi Arabia	Saudi Aramco	2013
I & I	Southern Sea Water Desalination Plant stage 2	Australia	Water Corporation	2014

* Project in execution on an open book basis

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

Backlog as of December, 2012

At the end of December of 2012, Tecnicas Reunidas' (TR) backlog reached € 6,205 million, up 15% compared to 2011 backlog. The awards of 2012 amounted to € 3,287 million.

From the total backlog, 94% was represented by projects from the oil and gas division, while 6% was represented by the power division projects, plus the Australian desalination plant.

At the end of the fourth quarter of 2012, 20% of the backlog were projects on an Open Book (OBE) phase, which are pending to be converted.

During the fourth quarter the company booked the Jazan project, with a value of approximately USD 900 million for Saudi Aramco. TR will execute two lump sum turnkey contracts for the upcoming Jazan refinery and marine terminal project. Saudi Aramco will build a 400.000 bpd grassroots refinery and hydrocarbon terminal facilities as part of the overall Jazan Economic City (JEC) development, located in Jazan Province, a South-Western region of Saudi Arabia.

The scope of the two projects includes the execution of the hydrocracker and diesel hydrotreater facilities under two different contracts for the engineering, supply of the equipment and materials, construction of the plants, precommissioning and providing support during commissioning of the units. The hydrocracker will be one of the largest in the world and the second largest in Saudi Arabia. The facilities are scheduled to be operational by the beginning of 2017.

In addition, the company was awarded during 2012 other projects less significant in size but highly valuable, as they involve technology development and R&D, or basic engineering development or FEEDs (Front End Engineer and Design) projects for complex units:

- CNOOC awarded TR a FEED contract for the construction of the Zhuhai II liquefied natural gas (LNG) plant in China.
- Repsol in joint venture with SK Lubricants awarded TR a FEED for the CH-H0201 reactor charge heater in Spain.
- TR was awarded a contract for procurement of critical equipment by the Czech company, Chemoprojek, for an ammonium nitrate plant in Novomoskov, Russia. In 2011, Eurochem chose TR for the technology licence and the FEED.
- TR was awarded long term R&D projects by the Spanish Administration to develop cutting-edge technologies in: biomass for the construction sector (BioSos), new technologies for water treatment processes (Innpronta ITACA), development of new technologies for recycling batteries (GREENLION) and development of new generation membranes for water treatment processes (CERAMPOL).
- TR started three new projects within the European Union: for the development of automobile batteries (NOCOBAUT), for the development for industrial ovens (DAPHNE) and for new technologies for metals and land recovery (RECLAIM).

3. CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT January - December	Year 2012 € million	Year 2011 € million	Var. %
Net Revenues	**2,652.4**	**2,612.6**	**1.5%**
Other Revenues	4.2	3.8	
Total Income	**2,656.5**	**2,616.5**	**1.5%**
Raw materials and consumables	-1,768.2	-1,781.6	
Personnel Costs	-381.5	-351.7	
Other operating costs	-349.8	-323.6	
EBITDA	**157.0**	**159.5**	**-1.6%**
Amortisation	-8.3	-8.2	
EBIT	**148.7**	**151.3**	**-1.7%**
Financial Income/ expense	8.3	6.7	
Share in results obtained by associates	0.8	-2.8	
Profit before tax	**157.8**	**155.2**	**1.7%**
Income taxes	-21.5	-19.9	
Net Profit	**136.3**	**135.3**	**0.7%**

3.1 REVENUES

REVENUES BREAKDOWN January - December	Year 2012 € million	%	Year 2011 € million	%	Var. %
Oil and gas	2,298.3	86.7%	2,285.3	87.5%	0.6%
Power	132.1	5.0%	203.3	7.8%	-35.0%
Infrastructure and industries	222.0	8.4%	124.1	4.7%	78.9%
Net Revenues	**2,652.4**	**100%**	**2,612.6**	**100%**	**1.5%**

In 2012, net revenues were € 2,656.5 million, slightly above 2011 revenues (+1.5%). Quarterly, 4Q 2012 Revenues grew by 5% compared to 3Q 2012 as a consequence of the ramp-up of the projects awarded at the end of 2011.

Oil and Gas: In 2012, sales on this division increased by 0.6%. The oil and gas revenues represented 86.7% of total sales. The Refining and Petrochemical division remains the largest contributor to sales.

- Refining and petrochemical: The projects with largest contribution to sales were: Izmit for Tüpras (Turkey), Jubail for Saudi Aramco (Saudi Arabia), Yanbu for Saudi Aramco (Saudi Arabia) and Khabarovsk for OC Alliance (Russia).

- Upstream and natural gas: The key projects in terms of contribution to sales were the following: the Shah project for ADCO in Abu Dhabi, the Gran Chaco project for YPFB and the Margarita II for Repsol/British Gas/Pan American Energy, both in Bolivia.

Power: Revenues in this division declined by 35%, from € 203.3 million in 2011 to € 132.1 million in 2012. This reduction was driven by a lower level of awards and the postponement by the client of the start of the construction of the Hungarian project.

Infrastructure and industries: 2012 Revenues in this division grew by 79% compared to 2011, and reached € 222 million, mainly due to the contribution of the desalination project in Australia for Water Corporation.

3.2 OPERATING PROFIT

OPERATING MARGINS January - December	Year 2012 € million	Year 2011 € million	Var. %
EBITDA	157.0	159.5	-1.6%
Margin	*5.9%*	*6.1%*	
EBIT	148.7	151.3	-1.7%
Margin	*5.6%*	*5.8%*	

EBIT BREAKDOWN January - December	Year 2012 € million	Year 2011 € million	Var. %
Operating Profit from divisions	211.9	213.0	-0.5%
Costs not assigned to divisions	-63.2	-61.8	2.4%
Operating profit (EBIT)	**148.7**	**151.3**	**-1.7%**

- In full year 2012, EBITDA and EBIT amounted to € 157.5 million and € 148.7 million respectively, showing a slight decrease compared to 2011.
- EBITDA margin was 5.9%, while EBIT margin stood at 5.6%.

3.3 NET PROFIT

NET PROFIT January - December	Year 2012 € million	Year 2011 € million	Var. %
Net Profit	**136.3**	**135.3**	**0.7%**
Margin	**5.1%**	**5.2%**	

Financial Income/Expense January - December	Year 2012 € million	Year 2011 € million
Net financial Income *	8.4	6.2
Gains/losses in transactions in foreign currency	-0.1	0.5
Financial Income/Expense	**8.3**	**6.7**

* Financial income less financial expenditure

In 2012, net profit amounted to € 136.3 million, similar to 2011. Net profit was impacted by:

- Net financial result: Net financial income increased from € 6.2 million to € 8.4 million while there was no material impact of gains/losses in transactions in foreign currency.

- Tax rate: The company tax for 2012 expense was € 21.5 million, which compares to € 19.9 million tax expense of 2011.

4. CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET December 31, 2012	Year 2012 € million	Year 2011 € million
ASSETS:		
Non-current Assets		
Tangible and intangible assets	105.0	82.9
Investment in associates	8.0	7.2
Deferred tax assets	28.4	24.4
Other non-current assets	20.7	6.6
	162.2	**121.1**
Current assets		
Inventories	25.7	20.8
Trade and other receivables	1,731.2	1,753.9
Other current assets	46.9	36.1
Cash and Financial assets	680.2	775.5
	2,484.0	**2,586.3**
TOTAL ASSETS	**2,646.2**	**2,707.4**
EQUITY AND LIABILITIES:		
Equity	**443.7**	**349.4**
Non-current liabilities	**44.7**	**66.3**
Financial Debt	30.7	30.0
Other non-current liabilities	14.0	36.3
Long term provisions	**26.1**	**18.2**
Current liabilities		
Financial Debt	3.1	5.3
Trade payable	2,039.8	2,144.0
Other current liabilities	88.9	124.3
	2,131.8	**2,273.5**
Total liabilities	**2,202.5**	**2,358.0**
TOTAL EQUITY AND LIABILITIES	**2,646.2**	**2,707.4**

EQUITY December 31, 2012	Year 2012 € million	Year 2011 € million
Shareholders' funds + retained earnings	527.3	481.0
Treasury stock	-73.4	-73.4
Hedging reserve	14.0	-31.1
Interim dividends	-35.8	-35.8
Minority Interest	11.6	8.7
EQUITY	**443.7**	**349.4**

NET CASH POSITION December 31, 2012	Year 2012 € million	Year 2011 € million
Current assets less cash and financial assets	1,803.7	1,810.8
Current liabilities less financial debt	-2,128.6	-2,268.2
COMMERCIAL WORKING CAPITAL	**-324.9**	**-457.4**
Financial assets	63.4	68.0
Cash and cash equivalents	616.8	707.5
Financial Debt	-33.8	-35.3
NET CASH POSITION	**646.4**	**740.2**
NET CASH + COMMERCIAL WORKING CAPITAL	**321.5**	**282.8**

- In 2012, equity increased by € 94.3 million, compared to 2011, due to non distributed earnings and a positive evolution of the hedging reserve.

- As of December 31st, 2012, the net cash position closed at € 646.4 million; 12.7% lower than 2011, due to working capital movements.

- In January 2012, the company paid out an interim dividend of € 0.667 per share out of 2011 results. In February, the company announced a complementary dividend of € 0.688 per share, which was paid in July 2012. Consequently, total dividends paid in 2012 out of 2011 results, were € 72.8 million (€ 1.355 per share, slightly higher than the previous dividend).

  In January 2013, the company paid out an interim dividend of € 0.667 per share, out of 2012 results, the same amount as the previous year.

ANNEX: FILINGS WITH CNMV RELEVANT EVENTS AND OTHER COMMUNICATIONS

In the fourth quarter of 2012, the company filed with the Spanish CNMV the following communication:

- Saudi Aramco selected Técnicas Reunidas for two major refining projects in Saudi Arabia: TR, has participated in the official ceremony for the announcement of the preselected contractors by SAUDI ARAMCO for its mega refining investment in the Jazan Province, Saudi Arabia. The ceremony was chaired by the Jazan Province Governor, Prince Mohammad bin Nasser bin Abdulaziz Al-Saud, and the Saudi Arabia Minister of Petroleum, Mr. Ali I Al-Naimi.

  Saudi Aramco selected TR for the execution of two lump sum turnkey contracts for its upcoming Jazan refinery and marine terminal project. Saudi Aramco will build a 400.000 bpd grassroots refinery and hydrocarbon terminal facilities as part of the overall Jazan Economic City (JEC) development, located in Jazan Province, a South-Western region of Saudi Arabia.

  The scope of the two projects includes the execution of the hydrocracker and diesel hydrotreater facilities under two different contracts for the engineering, supply of the equipment and materials, construction of the plants, precommissioning and providing support during commissioning of the units. The hydrocracker unit consists in two parallel trains with a total capacity of 54.5 kbpd and a 99.5% conversion ratio. The diesel hydrotreater plant includes two independent trains designed with 87.5 kbpd capacity per train. This hydrocracker will be one of the largest in the world and the second largest in Saudi Arabia.

  The overall value of both contracts will be around 900 million dollars. The facilities are scheduled to be operational by the beginning of 2017.

  Having designed hydrocrackers with the main licensors such as UOP, Axens, Chevron and SHELL, and for many clients, TR has accumulated a broad experience which is now being applied to enhance licensor designs in order to improve plant operability, maintainability and particularly project execution times.

  TR experience and know-how in hydrocracking units, and in refining conversion units in general, has placed the company among the three most reputed companies in the world in this area.
  These two new contracts in Saudi Arabia reinforce TR commitment with the Saudi market and in particular with its client Saudi Aramco.

Also, since the end of the fourth quarter, the company filed in February with the Spanish CNMV the following communication:

- OAO LUKOIL, through its subsidiary LUKOIL-Volgogradneftepererabotka, awarded to TÉCNICAS REUNIDAS a lump sum turn key contract for the engineering and supply of the equipment and materials, construction, pre-commissioning as well as support for commissioning of critical equipment for the vacuum gasoil deep conversion complex to be built within the existing LUKOIL´s refinery located at Volgograd (Russia).

  The project is the first stage of the complex, which will allow increasing the output of Euro-5 diesel fuel by 2,4 million tonnes per year (Mt/y). The scope includes the execution of one of the largest hydrocracker units in the world with a capacity of 3,5 Mt/y and a 65% conversion ratio. The unconverted residue will be used as a feed for the catalytic cracking and hydro catalytic units for producing high index base oils. The sulphur content of the crude oils will be treated in a combined sulphur production unit, which includes sections for amine regeneration, sour water stripping, sulphur recovery, tail gas treatment and sulphur granulation. The completion of the project is scheduled to take place by the end of 2015.The value of the contract awarded exceeds 1,100 million Euros.

  This contract follows the one for the front-end engineering design documentation performed by Técnicas Reunidas (awarded in February 2011) and another services contract (awarded in June 2012). The presence of Técnicas Reunidas in the Russian Federation, as well as its commitment with Lukoil, has been reinforced by this contract.

  OAO LUKOIL is one of world's leading oil companies and the second largest in Russia. Its main activities are exploration and production of oil & gas, production of petroleum products and petrochemicals, and marketing of these products. Most of the company's exploration and production activity is located in Russia, and its main resource base is in Western Siberia. LUKOIL owns modern refineries, gas processing and petrochemical plants located in Russia, Eastern and Western Europe and near-abroad countries. The company's production is mainly sold on the international market. The headquarters of the company are located in Moscow (Russia).