TECNICAS REUNIDAS

FIRST HALF RESULTS
January – June 2015

CONTENTS:

2015 First Half Results subject to limited review by Auditors (PWC)

1. HIGHLIGHTS

HIGHLIGHTS *January - June*	1H 2015 € million	1H 2014 € million	Var. %	Year 2014 € million
Backlog	9,032	7,810	*15.6%*	8,412
Net Revenues	1,884	1,479	*27.4%*	3,149
EBITDA	103	81	*26.7%*	170
Margin	*5.4%*	*5.5%*		*5.4%*
EBIT	95	75	*26.2%*	158
Margin	*5.0%*	*5.1%*		*5.0%*
Net Profit	75	67	*12.8%*	134
Margin	*4.0%*	*4.5%*		*4.3%*
Net cash position	436	673	*-35.1%*	664

QUALITY BACKLOG DRIVES GROWTH

- **At the end of June 2015, Tecnicas Reunidas' backlog reached the record figure of € 9,032 million, 15.6% higher than the 1H 2014. The main contract added to the backlog during the 2Q 2015 was the GT5 project for KNPC in Kuwait. In addition, the company will book a new project in the 3Q 2015 backlog which exceeds USD 2,000 million: the Al Zour refinery project for KNPC in Kuwait.**
- **In 1H 2015, revenues grew by 27.4% to € 1,884 million, as a consequence of the backlog expansion.**
- **Following sales growth, EBITDA and EBIT grew by 26.7% and 26.2% respectively, to € 103 million and € 95 million. In 1H 2015, operating margins remain at a similar level than the year before.**
- **Net profit rose by 12.8% to € 75 million, despite a higher tax rate.**
- **Lower downpayments in recently awarded projects and the cash momentum of projects under execution led to a €436 million cash position.**

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	GT5	Kuwait	KNPC	2019
	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	-
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 June, 30th 2015

At the end of June 2015, Tecnicas Reunidas' (TR) backlog reached the record figure of € 9,032.2 million, 15.6% higher than the 1H 2014 backlog.

95% of the total backlog was represented by the Oil and Gas division, while the remaining percentage was related to the Power division.

1H 2015 order intake amounted to € 1,841.0 million, which includes the GASCO upstream project, the Argex dioxide titanium plant and the GT5 project, which was awarded in the 2Q 2015.

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, procurement, construction, 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.

In July, the company has been awarded another relevant project to be included in the 3Q 2015 backlog. KNPC awarded to an international Joint Venture composed by TR, Sinopec Engineering Group (China) and Hanwha Engineering and Construction (South Korea) the execution of the processing units of the new refinery of Al-Zour, in Kuwait.

The contract has an approximate value of USD 4,100 million and the execution will last 45 months. TR is the leader of the Joint Venture with the largest stake (50%). Therefore, the contract value for TR exceeds 2,000 million dollars.

The contract was awarded on lump sum turnkey basis and the scope for TR includes the engineering, supply, construction and commissioning of the following refining units: 3 crude distillation units, 3 atmospheric residue desulphuration units, 3 diesel hydrotreating units, 2 naphtha hyrdrotreating units, 2 kerosene hydrotreating units, a saturated gas unit and a heavy oil cooling unit.

3. CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT January - June	1H 2015 € million	1H 2014 € million	Var. %	Year 2014 € million
Net Revenues	**1,883.6**	**1,478.7**	**27.4%**	**3,149.2**
Other Revenues	4.2	1.6		4.8
Total Income	**1,887.8**	**1,480.3**	**27.5%**	**3,153.9**
Raw materials and consumables	-1,252.3	-960.6		-2,059.1
Personnel Costs	-277.3	-243.2		-495.3
Other operating costs	-255.6	-195.5		-429.8
EBITDA	**102.6**	**81.0**	**26.7%**	**169.6**
Amortisation	-7.6	-5.7		-12.1
EBIT	**95.0**	**75.3**	**26.2%**	**157.6**
Financial Income/ expense	4.3	4.5		8.6
Share in results obtained by associates	1.0	-0.5		-0.5
Profit before tax	**100.4**	**79.3**	**26.5%**	**165.7**
Income taxes	-25.3	-12.8		-31.3
Net Profit	**75.1**	**66.5**	**12.8%**	**134.5**

3.1 REVENUES

REVENUES BREAKDOWN January - June	1H 2015 € million	%	1H 2014 € million	%	Var. %	Year 2014 € million
Oil and gas	1,660.4	88.1%	1,404.7	95.0%	18.2%	2,921.6
Power	169.9	9.0%	29.5	2.0%	476.6%	139.6
Infrastructure and industries	53.3	2.8%	44.5	3.0%	19.8%	88.0
Net Revenues	**1,883.6**	**100%**	**1,478.7**	**100%**	**27.4%**	**3,149.2**

In 1H 2015, net revenues grew by 27.4% to € 1,883.6 million, as a consequence of the backlog expansion.

Oil and Gas: Sales of this division increased by 18.2% and reached € 1,660.4 million in 1H 2015. The oil and gas revenues represented 88% of total sales, supported by the Refining and Petrochemical business as the largest contributor.

- Refining and Petrochemical: The projects with more contribution to sales were the following: Talara for Petroperu (Peru), RAPID for Petronas (Malaysia), Volgograd for Lukoil (Russia), STAR for SOCAR (Turkey) and Jazan for Saudi Aramco (Saudi Arabia).

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

Power: revenues of the power division improved from € 29.5 million in 1H 2014, to € 169.9 million in 1H 2015, as a result of the new projects contribution, which were awarded in 2014. In 1H 2015, the main projects with higher contribution to sales were: the Nodo Energetico del Sur CCGT for Enersur (Peru) and the Los Mina CCGT for AES Dominicana (Dominican Republic).

Infrastructure and industries: In 1H 2015 revenues of this division increased by 19.8% to € 53.3 million, due to the execution progress of the newly awarded projects such as the ones in Oman, Jordania and Turkey.

3.2 OPERATING PROFIT

OPERATING MARGINS January - June	1H 2015 € million	1H 2014 € million	Var. %	Year 2014 € million
EBITDA	102.6	81.0	26.7%	169.6
Margin	*5.4%*	*5.5%*		*5.4%*
EBIT	95.0	75.3	26.2%	157.6
Margin	*5.0%*	*5.1%*		*5.0%*

EBIT BREAKDOWN January - June	1H 2015 € million	1H 2014 € million	Var. %	Year 2014 € million
Operating Profit from divisions	134.4	108.0	24.4%	233.5
Costs not assigned to divisions	-39.3	-32.7	20.3%	-76.0
Operating profit (EBIT)	**95.0**	**75.3**	**26.2%**	**157.6**

- EBITDA and EBIT went up 26.7% and 26.2% respectively, to € 102.6 million and € 95.0 million.

- EBIT margin was 5.0%, similar to the level of 1H 2014.

3.3 NET PROFIT

NET PROFIT January - June	1H 2015 € million	1H 2014 € million	Var. %	Year 2014 € million
Net Profit	**75.1**	**66.5**	**12.8%**	**134.5**
Margin	**4.0%**	**4.5%**		**4.3%**

Financial Income/Expense January - June	1H 2015 € million	1H 2014 € million	Year 2014 € million
Net financial Income *	2.2	4.0	5.0
Gains/losses in transactions in foreign currency	2.1	0.4	3.6
Financial Income/Expense	**4.3**	**4.5**	**8.6**

* Financial income less financial expenditure

In 1H 2015, net profit followed the EBIT upward trend and rose by 12.8% to € 75.1 million; however, it was impacted by the negative effect of a higher tax rate.

- Financial Income was 4.3 million in the 1H 2015, similar to the 1H2014 financial result, but with smaller financial income (reduced return and lower average cash balances) and higher gains in transactions in foreign currency.

- In 1H 2015, the company income tax amounted to € 25.3 million, which represents an effective tax rate of 25%, higher than the tax rate of 1H 2014 due to the application of the Law 27/2014, which came into force 1st of January, 2015.

4. CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET June 30, 2015	1H 2015 € million	1H 2014 € million	Year 2014 € million
ASSETS:			
Non-current Assets			
Tangible and intangible assets	115.0	117.4	113.7
Investment in associates	15.7	16.8	14.6
Deferred tax assets	110.0	37.3	81.9
Other non-current assets	18.7	7.2	18.4
	259.4	**178.6**	**228.6**
Current assets			
Inventories	21.6	25.2	23.3
Trade and other receivables	1,907.7	1,515.6	1,436.9
Other current assets	52.3	30.2	58.3
Cash and Financial assets	539.3	701.1	691.6
	2,520.9	**2,272.1**	**2,210.0**
TOTAL ASSETS	**2,780.3**	**2,450.7**	**2,438.6**
EQUITY AND LIABILITIES:			
Equity	**442.0**	**468.0**	**455.8**
Non-current liabilities	**82.5**	**46.6**	**95.0**
Financial Debt	22.2	24.5	23.7
Other non-current liabilities	60.3	22.1	71.4
Long term provisions	**23.8**	**18.6**	**36.8**
Current liabilities			
Financial Debt	80.7	4.0	3.8
Trade payable	1,895.8	1,814.8	1,653.6
Other current liabilities	255.5	98.8	193.6
	2,232.1	**1,917.6**	**1,851.0**
Total liabilities	**2,338.4**	**1,982.7**	**1,982.8**
TOTAL EQUITY AND LIABILITIES	**2,780.3**	**2,450.7**	**2,438.6**

EQUITY June 30, 2015	1H 2015 € million	1H 2014 € million	Year 2014 € million
Shareholders' funds + retained earnings	601.7	540.8	611.4
Treasury stock	-76.4	-73.4	-73.4
Hedging reserve	-86.8	-3.0	-49.3
Interim dividends	0.0	0.0	-35.8
Minority Interest	3.5	3.5	2.9
EQUITY	**442.0**	**468.0**	**455.8**

NET CASH POSITION June 30, 2015	1H 2015 € million	1H 2014 € million	Year 2014 € million
Current assets less cash and financial assets	1,981.6	1,571.0	1,518.5
Current liabilities less financial debt	-2,151.4	-1,913.6	-1,847.2
COMMERCIAL WORKING CAPITAL	**-169.8**	**-342.6**	**-328.7**
Financial assets	64.4	62.2	63.2
Cash and cash equivalents	474.9	638.9	628.4
Financial Debt	-103.0	-28.5	-27.4
NET CASH POSITION	**436.3**	**672.6**	**664.2**
NET CASH + COMMERCIAL WORKING CAPITAL	**266.5**	**330.0**	**335.4**

- At the end of June 2015, Equity of the company fell to € 441.9 million from € 455.8 million in December 2014. This reduction was mainly due to a larger negative effect from the hedging reserves.

- Lower downpayments in recently awarded projects and the cash momentum of projects under execution led to a €436 million cash position.

- 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, which was paid on 15th July 2015. Consequently, total dividends paid in 2015, out of 2014 results, were € 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 second quarter of 2015, the company filed with the Spanish Comisión Nacional del Mercado de Valores (CNMV) the following communications:

- 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).

- In May the Board of Directors resolved to appoint the independent member, Mr. Diego del Alcázar y Silvela, as Coordinating Director of the Board.

- In June the Company reported to the CNMV that it had signed a liquidity contract with Santander Investment Bolsa. The aim of the contract will be to enhance liquidity and regular trading in the shares. The liquidity contract follows the *Circular 3/ 2007 of 19 December by the CNMV* and therefore to be accepted as market practice. It will have an initial duration of 12 months, the number of shares assigned to the contract will be 55,000 and the cash amount will be € 2,500,000.

- In accordance with the resolution approved at the Annual General Meeting (AGM), the company filed with the CNMV a communication on the final 2014 dividend payment. In February, the Board of Directors decided to propose to the AGM the distribution of a total dividend of € 75 million (1.3955 Euros per share) out of 2014 results.

  On 15^{th} July, the company distributed a complementary dividend of € 39.2 million among the shares not held as Treasury Stock amounting to € 0.728565 per share.

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

- Tecnicas Reunidas was selected by KNPC to execute the processing units project for the new refinery of Al-Zour, which will be the largest refinery in the Middle East. The contract was awarded on a LSTK basis to the international Joint Venture leaded by Técnicas Reunidas (Spain), Sinopec Engineering Group (China), Hanwha Engineering and Construction (South Korea) for an approximate value of USD 4,100 million and the execution will last 45 months. TR is the majority partner with a 50% stake, therefore its contract value exceeds USD 2,000 million.

  The project will be developed at TR offices in Madrid. The new refinery, which means an overall investment of 13,000 million dollars, aims to produce and supply ultra-low sulphur petroleum by-products to meet both the needs of the domestic market and international demand.

  The scope of the contract of TR includes the engineering, supply, construction and commissioning of the following refining units: 3 crude distillation units (210,000 BPSD each), 3 atmospheric residue desulphuration units (110,000 BPSD each), 3 diesel hydrotreating units (62,000 BPSD each), 2 naphtha hyrdrotreating units (18,200 BPSD each), 2 kerosene hydrotreating units (53,000 BPSD each), a saturated gas unit (8,500 BPSD) and a heavy oil cooling unit.

  This project enforces the experience of TR in Kuwait following the recent award of a relevant gas project for KNPC. The contract value that TR will manage in the country for both projects amounts to USD 6,000 million.

KNPC (Kuwait National Petroleum Company) is the company responsible for the refining and gas processing projects in Kuwait, and it is a subsidiary of Kuwait Petroleum Corporation (KPC).