FIRST HALF RESULTS

January – June 2017

CONTENTS:

2017 First Half Results subject to limited review by Auditors (Deloitte, PWC)

1. HIGHLIGHTS

1H 2017 Main Highlights

- Order intake at € 0.4 billion in the 2Q 2017
- Backlog at € 8.3 billion (Talara auxiliary units project -€776 million- not included in the backlog)
- 14% growth in sales to € 2.6 billion
- Operating profit at € 105 million with a 4% EBIT margin
- Net profit from operations at € 67 million
- Net cash position of € 225 million
- 2016 dividend paid in 2017: € 75 million

Sales of Técnicas Reunidas (TR) rose 14% from 1H 2016 to € 2.6 billion in 1H 2017, as the major projects in the backlog are in the procurement and construction stage.

The company's EBIT was € 105 million, with an Operating Margin of 4.0%. Net Profit was € 67 million, similar to the same half of 2016, impacted by the depreciation of the dollar vs. euro in the quarter.

The balance sheet closed, with a net cash position of € 225 million. The reduction of net cash mainly relates to the increase of working capital in projects in the Middle East.

Juan Lladó, Chief Executive Officer of Técnicas Reunidas, said:

"These first six months of the year were unexpectedly low in terms of awards. The backlog was impacted by the postponement, at the last stage of the award process, of some projects in South America. In these projects, Técnicas Reunidas was already selected. Also, in other large Middle East projects, where we are well positioned, the bidding process was extended beyond the first half of the year.

The oil crisis is still affecting both, the launch of new investments and project execution in the industry. After three years of difficult environment, oil companies have a cautious approach to their business, which affects the entire supply chain, and more specifically, the payment terms of our projects. In this environment, we are fully focused on project efficiency and control.

We continue with strong execution, in line with clients' expectations. This is a key strength of our company that I would like to emphasise, as client recognition of our execution capabilities allows us to be a key eligible leader for most important international tenders.

The company is bidding widely across our traditional markets and new geographies, where we see a recovery of investments. The fundamentals of these projects, especially in downstream and gas, allow us to have great visibility for the coming years. Regardless of the crisis, our bidding pipeline is strong and healthy.

HIGHLIGHTS *January - June*	1H 2017 € million	1H 2016 € million	Var. %	Year 2016 € million
Backlog	8,255	10,652	-23%	10,582
Net Revenues	2,628	2,304	14%	4,793
EBITDA	117	103	14%	211
Margin	4.5%	4.5%		4.4%
EBIT	105	92	13%	192
Margin	4.0%	4.0%		4.0%
Net Profit*	67	66	1%	140
Margin	2.5%	2.9%		2.9%
Net Cash Position	225	521	-57%	488

* Net Profit from Continuing Operations

2. BACKLOG

	Project	Country	Client	Estimated Delivery
Refining and Petrochemical	Ras Tanura refinery	Saudi Arabia	Saudi Aramco	2021
	Talara auxiliary units	Peru	Petroperu	2020
	Al Zour refinery	Kuwait	KNPC	2019
	Minatitlán refinery	Mexico	Pemex	2019
	Westlake petrochemical complex	US	Sasol	2018
	Heroya Industrial Park	Norway	Yara Norge AS	2018
	RAPID refinery	Malaysia	Petronas	2018
	Talara refinery	Peru	Petroperu	2018
	Star refinery	Turkey	SOCAR	2018
	Jazan refinery	Saudi Arabia	Saudi Aramco	2018
	Sturgeon refinery	Canada	North West Redwater Partnership	2017
	Antwerp refinery*	Belgium	Total	-
Upstream & Gas	Fadhili	Saudi Arabia	Saudi Aramco	2020
	GT5	Kuwait	KNPC	2019
	Jazan IGCC	Saudi Arabia	Saudi Aramco	2019
	GASCO	United Arab Emirates	ADNOC / Total / Shell	2018
	Touat gas field	Algeria	GDF Suez / Sonatrach	2018
	Hail Field Development	United Arab Emirates	ADOC	2017
Power	Biomass plant	UK	MGT Teeside	2020
	Turów	Poland	Polska Grupa Energetyczna	2020
	Kilpilahti	Finland	Neste / Veolia / Borealis	2018
	Fort Hills	Canada	Suncor/Total/Teck	2017

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

Backlog as of June, 30^{th} 2017

At the end of June 2017, Técnicas Reunidas' backlog amounted to € 8,255 million, down 23%, compared to € 10,652 million reached at the end of June 2016. The Talara Auxiliary Units in Perú are not included the backlog, as the project is being retendered.

Oil and Gas projects stood for 87% of the total backlog, whereas the Power division accounted for 13%.

Fisterra Energy selected TR for the execution of a contract to design, procure, build and commission a new 875 MW gas turbine combined cycle power plant in Guadalajara, Mexico. The power plant will consist of the installation of two GE 7HA.02 gas turbines, two heat recovery generators and one steam turbine, with a total power output of 875 MW. The scope also includes all necessary balance of plant, including two substations to connect the facility to the grid.

The total contract value of the project will be around USD 500 million and the construction of the power plant will take 30 months.

3. CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT January - June	1H 2017 € million	1H 2016 € million	Var. %	Year 2016 € million
Net Revenues	**2,628.0**	**2,303.9**	**14.1%**	**4,792.6**
Other Revenues	1.1	3.9		4.2
Total Income	**2,629.1**	**2,307.8**	**13.9%**	**4,796.8**
Raw materials and consumables	-1,965.8	-1,628.8		-3,407.0
Personnel Costs	-299.4	-296.7		-576.3
Other operating costs	-246.7	-279.8		-602.5
EBITDA	**117.1**	**102.5**	**14.2%**	**211.0**
Amortisation	-12.5	-10.2		-19.1
EBIT	**104.6**	**92.4**	**13.2%**	**191.9**
Financial Income/ expense	-9.1	0.6		4.0
Share in results obtained by associates	-1.4	-3.3		-2.5
Profit before tax	**94.1**	**89.6**	**5.0%**	**193.4**
Income taxes	-27.3	-23.8		-53.2
Net Profit from Continuing Operations	**66.8**	**65.9**	**1.4%**	**140.2**
Net Loss from Discontinued Operations	**-0.2**	**0.0**		**-11.0**
Net Profit after Discontinued Operations	**66.6**	**65.9**	**1.1%**	**129.2**

3.1 REVENUES

REVENUES BREAKDOWN January - June	1H 2017 € million	%	1H 2016 € million	%	Var. %	Year 2016 € million
Oil and gas	2,239.9	85.2%	2,033.3	88.3%	10.2%	4,266.2
Power	327.1	12.4%	197.0	8.6%	66.0%	395.9
Infrastructure and industries	61.0	2.3%	73.6	3.2%	-17.1%	130.5
Net Revenues	**2,628.0**	**100%**	**2,303.9**	**100%**	**14.1%**	**4,792.6**

In 1H 2017, net revenues rose by 14.1% to € 2,628.0 million, as major projects in the backlog are in the procurement and construction stage.

Sales from the oil and gas division went up 10.2% and reached € 2,239.9 million in 1H 2017. Oil and Gas revenues represented the vast majority of total sales (85%), supported by the Refining and Petrochemical business, as the largest contributor.

- Refining and Petrochemical: The projects with the highest contribution to sales were the following: Al Zour for KNPC (Kuwait), Talara for Petroperu (Peru), Ras Tanura for Saudi Aramco (Saudi Arabia) and RAPID for Petronas (Malaysia).
- Upstream and Natural Gas: The main contributors to sales were: the Fadhili project for Saudi Aramco (Saudi Arabia), the GT5 project for KNPC (Kuwait), the Jazan IGCC for Saudi Aramco (Saudi Arabia) and the Gasco project for ADNOC/Total/Shell (UAE).

Revenues from the power division grew by 66% to € 327.1 million in 1H 2017. The Teeside biomass project for MGT Teeside (UK) and the Kilpilahti electricity generation project for Neste / Veolia / Borealis (Finland) were the largest contributors to sales.

3.2 OPERATING AND NET PROFIT

OPERATING AND NET PROFIT January - June	1H 2017 € million	1H 2016 € million	Var. %	Year 2016 € million
EBITDA	117.1	102.5	14.2%	211.0
Margin	4.5%	4.5%		4.4%
EBIT	104.6	92.4	13.2%	191.9
Margin	4.0%	4.0%		4.0%
Net Profit*	66.8	65.9	1.4%	140.2
Margin	2.5%	2.9%		2.9%

* Net Profit from Continuing Operations

EBIT BREAKDOWN January - June	1H 2017 € million	1H 2016 € million	Var. %	Year 2016 € million
Operating Profit from divisions	150.7	136.0	10.8%	283.5
Costs not assigned to divisions	-46.1	-43.6	5.5%	-91.5
Operating profit (EBIT)	**104.6**	**92.4**	**13.2%**	**191.9**

Financial Income/Expense January - June	1H 2017 € million	1H 2016 € million	Year 2016 € million
Net financial Income *	-1.1	-0.8	1.2
Gains/losses in transactions in foreign currency	-8.0	1.4	2.8
Financial Income/Expense	**-9.1**	**0.6**	**4.0**

* Financial income less financial expenditure

1H 2017 EBIT reached € 104.6 million, with a 13.2% growth, in line sales growth. Operating margin was 4%.

Net profit was € 66.8 million, up 1.4% in comparison to 1H 2016 but impacted by:

- A decrease in financial income, from € 0.6 million in 1H 2016 to an expense of € 9.1 million in the 1H 2017. This reduction was mainly due to a € 8 million of loss in transactions in foreign currency, as the dollar suffered a 7% depreciation against the euro in the quarter.
- In 1H 2017, the company income tax was € 27.3 million, which represents an effective tax rate of 29.0%.

4. CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET June 30	1H 2017 € million	1H 2016 € million	Year 2016 € million
ASSETS:			
Non-current Assets			
Tangible and intangible assets	56.4	126.5	69.7
Investment in associates	13.3	0.2	13.1
Deferred tax assets	214.6	175.3	225.8
Other non-current assets	28.6	28.4	24.6
	313.0	**330.4**	**333.1**
Current assets			
Inventories	16.9	21.2	17.0
Trade and other receivables	2,829.7	2,524.0	2,406.3
Other current assets	109.8	63.9	90.5
Cash and Financial assets	632.6	703.8	752.4
	3,589.0	**3,312.9**	**3,266.2**
TOTAL ASSETS	**3,901.9**	**3,643.3**	**3,599.3**
EQUITY AND LIABILITIES:			
Equity	**518.0**	**437.2**	**441.8**
Non-current liabilities	**48.5**	**130.7**	**183.7**
Financial Debt	13.7	105.9	155.2
Other non-current liabilities	34.8	24.8	28.5
Long term provisions	**67.9**	**33.8**	**35.0**
Current liabilities			
Financial Debt	393.6	76.8	109.4
Trade payable	2,734.5	2,728.5	2,570.5
Other current liabilities	139.3	236.4	258.9
	3,267.5	**3,041.7**	**2,938.8**
Total liabilities	**3,383.9**	**3,206.1**	**3,157.5**
TOTAL EQUITY AND LIABILITIES	**3,901.9**	**3,643.3**	**3,599.3**

EQUITY June 30	1H 2017 € million	1H 2016 € million	Year 2016 € million
Shareholders' funds + retained earnings	584.7	566.6	619.6
Treasury stock	-73.9	-74.3	-72.6
Hedging reserve	-6.4	-58.9	-73.4
Interim dividends	0.0	0.0	-35.9
Minority Interest	13.6	3.9	4.1
EQUITY	**518.0**	**437.2**	**441.8**

NET CASH POSITION June 30	1H 2017 € million	1H 2016 € million	Year 2016 € million
Current assets less cash and financial assets	2,956.4	2,609.1	2,513.8
Current liabilities less financial debt	-2,873.9	-2,964.9	-2,829.4
COMMERCIAL WORKING CAPITAL	**82.5**	**-355.8**	**-315.6**
Financial assets	67.4	61.7	64.2
Cash and cash equivalents	565.2	642.1	688.3
Financial Debt	-407.3	-182.6	-264.6
NET CASH POSITION	**225.3**	**521.2**	**487.8**
NET CASH + COMMERCIAL WORKING CAPITAL	**307.8**	**165.4**	**172.2**

- At the end of June 2017, equity of the company was € 518 million, € 81 million higher than in December 2016. This increase is mainly due to the improvement in hedging reserves.

- The interim dividend of € 0.667 per share (€ 35.8 million) out of 2016 results, was paid on 19th of January 2017. The complementary dividend of € 0.7289 per share (€ 39.2 million) out of 2016 results, was paid on 10th July 2017. Consequently, total dividends paid in 2017 were € 75 million, equal to the dividends paid in 2016.

- The company closed the first half of 2017 with a 225.3 million net cash balance. The cash position was affected by a great exposure to Middle East contracts, customers' cash constraints and lower awards and downpayments in this first half of the year.

ANNEX: FILINGS WITH CNMV RELEVANT EVENTS AND OTHER COMMUNICATIONS

In the second quarter of 2017, the company filed with the Spanish "Comisión Nacional del Mercado de Valores" (CNMV) the following communications:

- Regarding the liquidity agreement signed with Santander Investment Bolsa, Sociedad de Valores, SAU, the company reported information of the operations made during the eight quarter:

SUMMARY			
	Shares	Net Value (€)	Average price
Opening account	43,337	2,541,830	
Purchases	1,769,582	-64,303,065	36.34
Sales	-1,733,775	63,035,579	36.36
Final account	79,144	1,274,344	

- Fisterra Energy, a Blackstone portfolio company specialized in the development of energy infrastructures, selected Técnicas Reunidas for the execution of a contract to design, procure, build and commission a new 875 MW gas turbine combined cycle power plant in Guadalajara, Mexico.

  The power plant will consist of the installation of two GE 7HA.02 gas turbines, two heat recovery generators and one steam turbine, with a total power output of 875 MW. The scope also includes all necessary balance of plant, including two substations to connect the facility to the grid. It will be fueled by natural gas meeting the latest emission standards. The project keeps TR in the edge of technology by providing power plant solutions using advanced class gas turbine technology with the highest efficiency in the market.

  The total contract value of the project will be around USD 500 million. The power plant will start production 30 months after the notice to proceed received on June 23rd.

  This new project for TR in Mexico represents the continued effort and commitment of the company with Latin America. TR has been providing support to Fisterra Energy from the inception of the project. Backing our customers from the early stages of the project development process contributes to its successful structuration and execution.

  Fisterra Energy is an energy company specialized in energy investments, with primary focus in Europe, Latin America and Middle East. It is fully owned and financially backed by Blackstone, the largest private equity in the world, with over US$360 billion assets under management. Blackstone's energy franchise is an active investor in virtually every sector of the energy industry, having invested more than US$8.1 billion of equity in over 25 energy transactions.

Also, after the end of the first quarter the company filed the following communications:

- Técnicas Reunidas, S.A. announced that on June 30, 2017 it terminated the Liquidity Agreement signed on June 11, 2015 with Santander Investment Bolsa, Sociedad de Valores, S.A.U.

  The Company plans to subscribe shortly a new Liquidity Agreement with Santander Investment Bolsa, Sociedad de Valores S.A.U. according and subject to the provisions of CNMV Circular 1/2017, of 26 April, on Liquidity Agreements, from the date of entry into force of said Circular 1/2017.

- In accordance with the resolution approved at the Annual General Meeting (AGM), the company filed with the CNMV a communication on the final 2016 dividend payment. In February, the Board of Directors decided to propose to the AGM the distribution of a total dividend of € 75 million (1.3959 Euros per share), out of 2016 results.

  On 10th July, the company distributed a complementary dividend of € 39.2 million among the shares not held as Treasury Stock amounting to € 0.7289 per share.

- Regarding the communication of the liquidity agreement expiration signed with Santander Investment Bolsa, Sociedad de Valores, SAU, we hereby include information of the operations made in the period June 12, 2017 – June 30, 2017 (date of end of the liquidity agreement), in accordance with the provisions of "Circular 3/2007, Norma Cuarta apartado 2 b)" of the Spanish Stock Market Commission.

SUMMARY			
	Shares	Net Value (€)	Average price
Opening account	79,144	1,274,344	
Purchases	432,735	-14,748,529	34.08
Sales	-437,725	14,916,583	34.08
Final account	74,154	1,442,398	

- Técnicas Reunidas, S.A. announced that on July 10, 2017 signed a Liquidity Agreement with Santander Investment Bolsa, Sociedad de Valores, S.A.U., which came into force on July 11, 2017, with the sole purpose of promoting the liquidity of transactions and the regularity of share price and adapting to the new regulations.