TECNICAS REUNIDAS

NINE MONTH RESULTS
January – September 2015

CONTENTS:

1. HIGHLIGHTS

HIGHLIGHTS *January - September*	**9M 2015** € million	**9M 2014** € million	**Var.** %	**Year 2014** € million
Backlog	9,977	8,787	*14%*	8,412
Net Revenues	3,006	2,298	*31%*	3,149
EBITDA	159	125	*27%*	170
Margin	*5.3%*	*5.5%*		*5.4%*
EBIT	148	117	*27%*	158
Margin	*4.9%*	*5.1%*		*5.0%*
Net Profit	115	99	*16%*	134
Margin	*3.8%*	*4.3%*		*4.3%*
Net Cash Position	348	661	*-47%*	664

STRONG BACKLOG

- **At the end of September 2015, Tecnicas Reunidas' backlog reached a new high of € 9,977 million, 14%, higher than the 9M 2014, due to a strong order intake. The main contract added to the order book during the 3Q 2015 was the Al Zour refinery project for KNPC in Kuwait.**
- **After the end of the third quarter, the company signed its first engineering and procurement contract (EP) for Sasol in the US and the ADOC upstream project in Abu Dhabi, to be included in the 4Q 2015 backlog.**
- **In 9M 2015, revenues grew by 31% to € 3,006 million, as a result of the backlog execution.**
- **Following sales growth, EBITDA and EBIT grew by 27.0% respectively, to € 159 million and € 148 million. In the 9M 2015, operating margins were slightly lower than the year before.**
- **Net profit went up 16% to € 115 million, despite a higher tax rate and a smaller financial income.**
- **Net cash position decreased to € 348 million at the end of September 2015. This is due to the combination of lower downpayments in the recent awarded projects and longer payment milestones in certain large projects under execution.**

2. BACKLOG

	Project	Country	Client	Estimated Delivery
Refining and Petrochemical	Al Zour refinery	Kuwait	KNPC	2019
	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
	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
	Mubarraz and Hail islands	United Arab Emirates	ADOC	2017
	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 September, 30th 2015

At the end of September 2015, Técnicas Reunidas' (TR) backlog reached a new high of € 9,977 million, 14% higher than the 9M 2014 backlog.

The Oil and Gas projects accounted for 96% of the total backlog, while the Power division accounted for 4%.

9M 2015 order intake amounted to € 3,671 million, including the gas project for GASCO in Abu Dhabi, the GT5 project in Kuwait and the Al Zour refinery also in Kuwait.

The company removed from the backlog the Argex project (only Front End Engineering and Design FEED phase was in the backlog) as the project is still pending on financing.

- 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 USD 2,000 million.

  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.

At the end of the quarter, the company has been awarded two relevant projects, signed and to be included in the 4Q 2015 backlog.

- Técnicas Reunidas has been awarded a contract by the multinational company Sasol for the execution of the ethoxylation (ETO) and guerbet alcohol plants, to be located in Sasol's ethane cracker and derivatives complex in Westlake, Louisiana.

  The scope of the contract includes the Engineering, Procurement and Construction support (EPCs) for the two plants. The value of the contract is approximately € 150 million and the construction of the plants will take 30 months.

- Abu Dhabi Oil Company Limited (ADOC), awarded Técnicas Reunidas a new contract for the early production facilities in the Mubarraz island and its surroundings in the vicinity of Abu Dhabi.

  The contract was awarded on a lump sum turnkey basis for an approximate value of USD 310 million with an execution schedule of 20 months. The project scope includes the engineering, procurement, construction, pre-commissioning and all required services for a further commissioning and start-up of the plant.

  The project involves onshore works to be developed in the islands of Mubarraz and Hail, the latter being an artificial island, and offshore works which include the installation of three subsea pipelines along with the installation of a composite cable interconnecting both islands.

3. CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT January - September	9M 2015 € million	9M 2014 € million	Var. %	Year 2014 € million
Net Revenues	**3,006.0**	**2,297.9**	**30.8%**	**3,149.2**
Other Revenues	5.3	3.2		4.8
Total Income	**3,011.3**	**2,301.0**	**30.9%**	**3,153.9**
Raw materials and consumables	-2,060.8	-1,426.0		-2,059.1
Personnel Costs	-407.6	-365.6		-495.3
Other operating costs	-383.7	-384.1		-429.8
EBITDA	**159.2**	**125.3**	**27.0%**	**169.6**
Amortisation	-11.6	-8.7		-12.1
EBIT	**147.6**	**116.6**	**26.6%**	**157.6**
Financial Income/ expense	3.3	5.2		8.6
Share in results obtained by associates	0.9	-0.5		-0.5
Profit before tax	**151.8**	**121.2**	**25.2%**	**165.7**
Income taxes	-36.6	-21.8		-31.3
Net Profit	**115.2**	**99.4**	**15.9%**	**134.5**

3.1 REVENUES

REVENUES BREAKDOWN January - September	9M 2015 € million	%	9M 2014 € million	%	Var. %	Year 2014 € million
Oil and gas	2,653.0	88.3%	2,179.7	94.9%	21.7%	2,921.6
Power	256.5	8.5%	54.6	2.4%	370.0%	139.6
Infrastructure and industries	96.4	3.2%	63.5	2.8%	51.7%	88.0
Net Revenues	**3,006.0**	**100%**	**2,297.9**	**100%**	**30.8%**	**3,149.2**

In 9M 2015, net revenues grew by 30.8% to € 3,006.0 million, as a result of the execution of the record backlog.

Oil and Gas: Sales of this division went up 21.7% and reached € 2,653.0 million in 9M 2015. The oil and gas revenues represented the vast majority 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: STAR for SOCAR (Turkey), Talara for Petroperu (Peru), RAPID for Petronas (Malaysia), Volgograd for Lukoil (Russia) and Jazan for Saudi Aramco (Saudi Arabia).

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

Power: revenues of the power division followed the trend of previous quarters and improved significantly from € 54.6 million in 9M 2014, to € 256.5 million in 9M 2015. This improvement was due to a larger contribution from the projects awarded in 2014. In 9M 2015, the main contributors to sales were the following projects: the Los Mina CCGT for AES Dominicana (Dominican Republic), the cogeneration plant for Fort Hills (Canada) and the CCGT for Ashuganj Power Station Company (Bangladesh).

Infrastructure and Industries: In 9M 2015 revenues of this division grew by 51.7% to € 96.4 million, as a result of the progress of the newly awarded projects.

3.2 OPERATING PROFIT

OPERATING MARGINS January - September	9M 2015 € million	9M 2014 € million	Var. %	Year 2014 € million
EBITDA	159.2	125.3	27.0%	169.6
Margin	*5.3%*	*5.5%*		*5.4%*
EBIT	147.6	116.6	26.6%	157.6
Margin	*4.9%*	*5.1%*		*5.0%*

EBIT BREAKDOWN January - September	9M 2015 € million	9M 2014 € million	Var. %	Year 2014 € million
Operating Profit from divisions	207.5	165.1	25.7%	233.5
Costs not assigned to divisions	-59.9	-48.5	23.4%	-76.0
Operating profit (EBIT)	**147.6**	**116.6**	**26.6%**	**157.6**

- Following the top line growth, EBITDA and EBIT rose by 27.0% and 26.6% respectively, to € 159.2 million and € 147.6 million.
  - EBIT margin was 4.9%, slightly lower compared to the level of 9M 2014, as a consequence of the company's conservative margin policy and some large projects entering in their latest stage of construction.

3.3 NET PROFIT

NET PROFIT January - September	9M 2015 € million	9M 2014 € million	Var. %	Year 2014 € million
Net Profit	**115.2**	**99.4**	**15.9%**	**134.5**
Margin	**3.8%**	**4.3%**		**4.3%**

Financial Income/Expense January - September	9M 2015 € million	9M 2014 € million	Year 2014 € million
Net financial Income *	2.0	4.2	5.0
Gains/losses in transactions in foreign currency	1.3	1.0	3.6
Financial Income/Expense	**3.3**	**5.2**	**8.6**

***** Financial income less financial expenditure

In 9M 2015, net profit grew by 17.0% to € 115.2 million and was impacted by a larger income tax as well as a smaller financial income.

- Financial Income was reduced from € 5.2 million in 9M 2014 to € 3.3 million in the 9M 2015. This reduction was mainly due to a lower average cash balances and to the increase of debt.

- In 9M 2015, the company income tax was € 36.6 million. This figure represents an effective tax rate of 24%, higher than the tax rate of 9M 2014, as the company applies the Law 27/2014 which came into force as of 1st of January, 2015.

4. CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET September 30, 2015	9M 2015 € million	9M 2014 € million	Year 2014 € million
ASSETS:			
Non-current Assets			
Tangible and intangible assets	118.4	119.2	113.7
Investment in associates	16.0	14.8	14.6
Deferred tax assets	97.6	35.2	81.9
Other non-current assets	17.1	8.7	18.4
	249.1	**178.0**	**228.6**
Current assets			
Inventories	21.7	24.7	23.3
Trade and other receivables	1,953.9	1,563.0	1,436.9
Other current assets	54.8	77.4	58.3
Cash and Financial assets	523.4	689.4	691.6
	2,553.8	**2,354.5**	**2,210.0**
TOTAL ASSETS	**2,802.9**	**2,532.6**	**2,438.6**
EQUITY AND LIABILITIES:			
Equity	**467.0**	**466.9**	**455.8**
Non-current liabilities	**83.5**	**60.3**	**95.0**
Financial Debt	21.9	25.6	23.7
Other non-current liabilities	61.6	34.8	71.4
Long term provisions	**19.0**	**16.6**	**36.8**
Current liabilities			
Financial Debt	153.8	3.0	3.8
Trade payable	1,870.7	1,860.3	1,653.6
Other current liabilities	208.9	125.5	193.6
	2,233.4	**1,988.8**	**1,851.0**
Total liabilities	**2,335.9**	**2,065.7**	**1,982.8**
TOTAL EQUITY AND LIABILITIES	**2,802.9**	**2,532.6**	**2,438.6**

EQUITY September 30, 2015	9M 2015 € million	9M 2014 € million	Year 2014 € million
Shareholders' funds + retained earnings	624.0	574.5	611.4
Treasury stock	-74.1	-73.4	-73.4
Hedging reserve	-86.3	-37.4	-49.3
Interim dividends	0.0	0.0	-35.8
Minority Interest	3.4	3.2	2.9
EQUITY	**467.0**	**466.9**	**455.8**

NET CASH POSITION September 30, 2015	9M 2015 € million	9M 2014 € million	Year 2014 € million
Current assets less cash and financial assets	2,030.4	1,665.2	1,518.5
Current liabilities less financial debt	-2,079.6	-1,985.7	-1,847.2
COMMERCIAL WORKING CAPITAL	**-49.2**	**-320.6**	**-328.7**
Financial assets	62.2	63.5	63.2
Cash and cash equivalents	461.2	625.9	628.4
Financial Debt	-175.7	-28.6	-27.4
NET CASH POSITION	**347.7**	**660.8**	**664.2**
NET CASH + COMMERCIAL WORKING CAPITAL	**298.5**	**340.2**	**335.4**

- At the end of September 2015, Equity of the company was € 467.0 million, similar to the figure of September 2014, but higher than the level of December 2014. This improvement was related to larger retained earnings and diminished by the dividend payment.

- The net cash position closed at € 347.7 million due to the combination of lower downpayments in the recent awarded projects and longer payment milestones in certain large projects under execution.

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

- Técnicas 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 led 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 USD 13,000 million, 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 TR´s contract 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).

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

- Técnicas Reunidas has been awarded a contract by the multinational company Sasol for the execution of the Ethoxylation (ETO) and Guerbet Alcohol Plants, to be located in Sasol’s ethane cracker and derivatives complex in Westlake, Louisiana.

The scope of the contract includes the Engineering, Procurement and Construction support (EPCs) for the two plants. It is the latest project to be awarded for this new large petrochemical complex being built by Sasol in the USA.

Alcohols ethoxylates are surfactants found in products such as detergents, surface cleaners, cosmetics and for use in agriculture, textiles and paints. Guerbet alcohols are used in cosmetics, detergents, antifreeze and lubricant additives, among others.

The value of the contract is approximately € 150 million, with a schedule of 30 months and will be done in TR's Madrid and USA offices.

This new project has great importance for TR being selected by such an outstanding company like Sasol.

Sasol is an international integrated chemicals and energy company that leverages the talent and expertise of its more than 31,000 employees in 37 countries. It develops and commercializes technologies, builds and operates world-scale facilities to produce a range of high-value product streams, including liquid fuels, chemicals and low-carbon electricity.

- Abu Dhabi Oil Company Limited (ADOC), a Japanese company responsible for the development of the Hail field in Abu Dhabi, awarded Técnicas Reunidas a new contract for the early production facilities in this field, which is located on the Mubarraz Island and its surroundings in the vicinity of Abu Dhabi.

  The contract has been awarded on a lump sum turnkey basis for an approximate value of USD 310 million, with an execution schedule of 20 months. The project consists of onshore works to be developed in the islands of Mubarraz and Hail, the latter being an artificial island, and offshore works which include the installation of three subsea pipelines along with the installation of a composite cable interconnecting both islands. The project scope includes the engineering, procurement, construction, pre-commissioning and all required services for a further commissioning and start-up of the plant.

  The project, that includes separation, pumping and transportation facilities along with its associated utilities and offsites, is located in the protected marine area of Marawah, which has been recognized as a biosphere reserve by UNESCO since November 2007. This award demonstrates the capability and experience of Técnicas Reunidas to work in environmentally sensitive locations.

For Técnicas Reunidas, this new contract further extends the company's business activity in the offshore sector and represents its fifth contract in the UAE, eight months after its last award in the country, strengthening its presence in the country and its commitment in maintaining the country's current oil & gas production levels.

ADOC is the company responsible for the development of the oil fields of Mubarraz, Umm Al Anbar, Neewat Al Ghalan and Hail. ADOC started operations in Abu Dhabi in 1968. It is one of the largest and longest running companies producing oil in Abu Dhabi and the UAE.

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

SUMMARY			
	Shares	Net Value (€)	Average price
Opening account	55,000	2,500,000	
Purchases	1,718,520	(76.195.703,10)	44,34
Sales	-1,699,324	75,363,029.85	44,35
Final account	74,196	1,667,326.74	