PRICEWATERHOUSECOOPERS

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This version of our report is a free translation from the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation

AUDITOR'S REPORT ON THE ANNUAL ACCOUNTS

To the Shareholders of Técnicas Reunidas, S.A.

1. We have audited the annual accounts of Técnicas Reunidas, S.A. consisting of the balance sheet as at 31 December 2009, the income statement, the statement of changes in equity, the cash flow statement and the related notes for the year then ended, the preparation of which is the responsibility of the Directors of the Company. Our responsibility is to express an opinion on the annual accounts taken as a whole, based on the work performed in accordance with auditing standards generally accepted in Spain which require the examination, on a test basis, of evidence supporting the annual accounts and an evaluation of their overall presentation, the accounting principles applied and the estimates made.

2. In accordance with Spanish Corporate Law, the Company's Directors have presented, for comparative purposes only, for each item of the balance sheet, the income statement, the statement of changes in equity, the cash flow statement and the notes, the corresponding amounts for the previous year as well as the amounts for 2009. Our opinion refers exclusively to the annual accounts for 2009. On 27 February 2009 we issued our audit report on the 2008 annual accounts, in which we expressed an unqualified opinion.

3. As is mentioned in Note 8, the Company holds majority shareholdings in a series of companies. The accompanying annual accounts have not been prepared on a consolidated basis. On 25 February 2010 consolidated annual accounts were prepared for the group of companies on which we issued an unqualified opinion on 26 February 2010. These accounts reflect net equity totalling thousand euro 317,439, which includes profits for 2009 totalling thousand euro 145,400. It should be noted that those consolidated annual accounts have been prepared in accordance with the International Financial Reporting Standards adopted by the European Union (IFRS-EU).

4. In our opinion, the accompanying annual accounts for 2009 present fairly, in all material respects, the financial position of Técnicas Reunidas, S.A. at 31 December 2009 and the results of its operations, changes in equity and cash flows for the year then ended and contain all the information necessary for their interpretation and comprehension, in accordance with generally accepted accounting principles in Spain, applied on a basis consistent with that of the preceding year.

PricewaterhouseCoopers Auditores, S. L. - R. M. Madrid, hoja 87.250-1, folio 75, tomo 9.267, libro 8.054, sección 3
Inscrita en el R.O.A.C. con el número S0242 - CIF: B-79031290

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5. The accompanying Directors' Report for 2009 contains the information that the Company's Directors consider relevant to the position of Técnicas Reunidas, S.A., the development of its business and other matters and does not form an integral part of the annual accounts. We have verified that the accounting information contained in the aforementioned Directors' Report coincides with that of the annual accounts for 2009. Our work as auditors is limited to checking the Directors' Report within the scope already mentioned in this paragraph and it does not include a review of information other than that obtained from the Company's accounting records.

PricewaterhouseCoopers Auditores, S.L.

Original in Spanish signed by Rafael Pérez Guerra
Partner

26 February 2010

TÉCNICAS REUNIDAS, S.A.

Annual accounts at 31 December 2009
and 2009 Directors' Report

Contents of the annual accounts of Técnicas Reunidas, S.A.

TÉCNICAS REUNIDAS, S.A.
BALANCE SHEET AT 31 DECEMBER 2009 AND 2008
(Thousand euro)

		2009	2008
NON-CURRENT ASSETS		**116,021**	**111,224**
Intangible assets	Note 5	41,882	26,813
Property, plant and equipment	Note 6	17,804	18,750
Long-term investments in Group companies, joint ventures and associates	Note 8	35,438	38,876
Long-term Financial assets		2,871	8,688
Shares and non-current equity holdings		192	192
Loans to third parties		332	351
Derivatives	Note 12	121	5,834
Other financial assets		2,226	2,311
Deferred tax assets	Note 24	18,026	18,097
CURRENT ASSETS		**1,155,513**	**1,365,566**
Inventories	Note 13	27,964	12,289
Trade and other receivables	Note 11	650,294	968,577
Short-term investments in Group companies, joint ventures and associates	Note 8	86,394	79,259
Short-term investments		26,300	17,297
Equity instruments	Note 10	15,387	13,428
Loans to companies		94	94
Derivatives	Note 12	9,262	3,345
Other financial assets		1,557	430
Short-term accruals		350	89
Cash and cash equivalents	Note 14	364,211	288,055
TOTAL ASSETS		**1,271,534**	**1,476,790**

Notes 1 to 33 and Exhibit I are an integral part of these annual accounts

TÉCNICAS REUNIDAS, S.A.
BALANCE SHEET AT 31 DECEMBER 2009 AND 2008
(Thousand euro)

		2009	2008
EQUITY		**104,814**	**79,541**
Capital and reserves		**110,028**	**88,548**
Capital	Note 15	5,590	5,590
Authorised capital		5,590	5,590
Share premium	Note 15	8,691	8,691
Reserves	Note 16	95,072	67,603
Legal reserve		1,137	1,137
Other reserves		93,935	66,466
(Treasury shares)	Note 15	(56,257)	(55,644)
Profit for the year	Note 17	92,780	97,070
(Interim dividend)	Note 17	(35,848)	(34,762)
Value adjustments		**(7,475)**	**(9,687)**
Hedging transactions	Note 12	(6,549)	(9,123)
Translation differences		(926)	(564)
Grants, donations and bequests received	Note 18	**2,261**	**680**
NON-CURRENT LIABILITIES		**45,350**	**54,842**
Long-term Provisions		24,936	24,036
Long-term employee benefit obligations	Note 19	5,354	4,754
Other provisions	Note 19	19,582	19,282
Long-term payables	Note 21	20,250	30,642
Deferred tax liabilities	Note 24	164	164
CURRENT LIABILITIES		**1,121,370**	**1,342,407**
Short-term provisions	Note 19	3,289	8,218
Short-term payables	Note 21	43,810	61,551
Short-term payables to Group companies and associates	Note 22	47,598	60,610
Trade and other payables	Note 23	1,026,670	1,211,813
Short-term accruals		3	215
TOTAL EQUITY AND LIABILITIES		**1,271,534**	**1,476,790**

Notes 1 to 33 and Exhibit I are an integral part of these annual accounts

TÉCNICAS REUNIDAS, S.A.

INCOME STATEMENT FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008 (Thousand euro)

		2009	2008
CONTINUING OPERATIONS			
Revenue	Note 25	1,512,930	1,450,082
Sales		1,512,808	1,449,942
Services Rendered		122	140
Changes in inventory of finished products and work in progress		1,900	1,277
Own work capitalised		16,726	4,068
Raw materials and consumables		(920,120)	(978,444)
Consumption of goods purchased for resale		(920,120)	(978,444)
Other operating income		352	1,469
Accessory and other income		112	404
Operating grants released to income during the year		240	1,065
Staff costs	Note 25	(176,672)	(140,658)
Wages, salaries and similar remuneration		(146,334)	(115,414)
Staff welfare expenses		(29,997)	(24,748)
Provisions		(341)	(496)
Other operating expenses	Note 25	(371,965)	(277,928)
External services		(362,494)	(266,474)
Taxes other than income tax		(4,316)	(3,221)
Losses on, impairment of and change in trade provisions		(5,155)	(8,233)
Depreciation and amortisation		(4,322)	(3,504)
Overprovisions		12,600	610
Impairment of and gains (losses) on fixed asset disposals		(1,144)	(2)
OPERATING INCOME		**70,285**	**56,970**
Finance income		38,257	53,953
Finance expense		(2,049)	(2,636)
Change in fair value of financial instruments		1,830	(2,850)
Net exchange differences		3,263	(38)
Impairment of and gains (losses) on disposal of financial instruments		(20,889)	(17,695)
FINANCE INCOME/COSTS - NET	Note 26	**20,412**	**30,734**
PROFIT BEFORE INCOME TAX		**90,698**	**87,704**
Income tax	Note 24	2,082	9,366
PROFIT FOR THE YEAR		**92,780**	**97,070**

Notes 1 to 33 and Exhibit I are an integral part of these annual accounts

TÉCNICAS REUNIDAS, S.A.
STATEMENT OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008

A) STATEMENT OF RECOGNISED INCOME AND EXPENSE
(Thousand euro)

		2009	2008
Profit for the year		**92,780**	**97,070**
Income and expense recognised directly in equity			
On cash-flow hedges	12	22,498	(25,132)
Grants, donations and bequests received	18	1,581	(188)
On actuarial gains and losses and other adjustments		(346)	(576)
Tax effect	24	(2,013)	2,761
		21,720	**(23,135)**
Transfers to the income statement			
On cash-flow hedges	12	(17,911)	8,918
Grants, donations and bequests received	18	-	-
Tax effect	24	-	-
		(17,911)	**8,918**
TOTAL RECOGNISED INCOME AND EXPENSE		**96,589**	**82,853**

Notes 1 to 33 and Exhibit I are an integral part of these annual accounts

TÉCNICAS REUNIDAS, S.A.
STATEMENT OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008

B) TOTAL STATEMENT OF CHANGES IN EQUITY
(Thousand euro)

	Capital	Share premium	Treasury shares	Legal reserve	Other reserves	Profit for the year	Interim dividend	Value adjustments	Grants, donations and bequests received	Total equity
BALANCE AT 31/12/2007	**5,590**	**8,691**	-	**1,137**	**59,731**	**61,068**	**(25,153)**	-	-	**111,064**
Adjustments for conversion to the new Spanish Chart of Accounts	-	-	-	-	(933)	-	-	4,330	868	4,265
ADJUSTED BALANCE AT 01/01/2008	**5,590**	**8,691**	-	**1,137**	**58,798**	**61,068**	**(25,153)**	**4,330**	**868**	**115,329**
Total recognised income and expense	-	-	-	-	(12)	97,070	-	(14,017)	(188)	82,853
Transactions in treasury shares, net	-	-	(55,644)	-	567		-	-	-	(55,077)
Distribution against 2007 profit	-	-	-	-	7,129	(61,068)	25,153	-	-	(28,786)
Interim dividend against 2008 profit	-	-	-	-	-	-	(34,762)	-	-	(34,762)
Other movements in equity	-	-	-	-	(16)	-	-	-	-	(16)
BALANCE AT 31/12/2008	**5,590**	**8,691**	**(55,644)**	**1,137**	**66,466**	**97,070**	**(34,762)**	**(9,687)**	**680**	**79,541**

Notes 1 to 33 and Exhibit I are an integral part of these annual accounts

TÉCNICAS REUNIDAS, S.A.
STATEMENT OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008

B) TOTAL STATEMENT OF CHANGES IN EQUITY
(Thousand euro)

	Capital	Share premium	Treasury shares	Legal reserve	Other reserves	Profit for the year	Interim dividend	Value adjustments	Grants, donations and bequests received	Total equity
BALANCE AT 01/01/2009	**5,590**	**8,691**	**(55,644)**	**1,137**	**66,466**	**97,070**	**(34,762)**	**(9,687)**	**680**	**79,541**
Total recognised income and expense	-	-	-	-	16	92,780	-	2,212	1,581	96,589
Transactions in treasury shares, net	-	-	(613)	-	-	-	-	-	-	(613)
Distribution against 2008 profit	-	-	-	-	27,003	(97,070)	34,762	-	-	(35,305)
Interim dividend against 2009 profit	-	-	-	-	-	-	(35,848)	-	-	(35,848)
Other movements in equity	-	-	-	-	450	-	-	-	-	450
BALANCE AT 31/12/2009	**5,590**	**8,691**	**(56,257)**	**1,137**	**93,935**	**92,780**	**(35,848)**	**(7,475)**	**2,261**	**104,814**

Notes 1 to 33 and Exhibit I are an integral part of these annual accounts

TÉCNICAS REUNIDAS, S.A.
CASH FLOW STATEMENT FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008
(Thousand euro)

	Note	Year ended 31 December	
		2009	2008
Cash flows from operating activities			
Profit for the year		92,780	97,070
Adjustments:			
- Taxes	24	(2,082)	(9,366)
- Depreciation/amortisation of PPE and intangible assets	5 & 6	4,322	3,504
- Change in provisions net		(7,445)	7,623
- Impairment losses		1,144	2
- Finance income	26	(38,257)	(53,953)
- Finance expense	26	2,049	2,636
- Change in gains/losses on derivatives		(17,911)	8,918
- Exchange gains/losses	26	(3,263)	38
- Change in fair value of financial instruments	26	(1,830)	2,850
- Impairment and gain (losses) on disposal of financial instruments	26	20,889	17,695
Changes in working capital			
- Inventories		(15,675)	(2,300)
- Trade and other receivables		318,300	(483,945)
- Other accounts receivable		(41,574)	(33,890)
- Financial assets at fair value through profit or loss		(1,517)	(1,553)
- Trade payables		(179,197)	578,980
- Current tax liabilities		(14,122)	3,812
- Provisions for liabilities and charges and other accounts payable		3,666	6,030
- Other changes		120	1,796
Other cash flows from operating activities			
Interest paid		(2,349)	(2,936)
Dividends received		51,992	34,870
Interest received		3,271	8,314
Net cash generated from operating activities		**173,312**	**186,195**
Cash flows from investing activities			
Purchases of property, plant and equipment	5	(3,044)	(9,509)
Purchases of intangible assets	6	(16,862)	(7,362)
Investments in Group companies		-	(4,000)
Other assets		-	(613)
Disposal of long-term assets		402	123
Net cash used in investment activities		**(19,504)**	**(21,361)**
Cash flows from financing activities			
Proceeds from borrowings		3,988	19,836
Repayment of borrowings		(12,541)	(22,658)
Grants, donations and bequests received		1,581	-
Dividends paid		(70,067)	(53,939)
Acquisition of treasury shares	15	(613)	(55,644)
Net cash used in financing activities		**(77,652)**	**(112,405)**
Net change in cash and cash equivalents		**76,156**	**52,429**
Cash and cash equivalents at beginning of the year		**288,055**	**235,626**
Cash and cash equivalents at end of the year		**364,211**	**288,055**

Notes 1 to 33 and Exhibit I are an integral part of these annual accounts

TÉCNICAS REUNIDAS, S.A.
NOTES TO THE 2009 ANNUAL ACCOUNTS
(Thousand euro)

Free translation of the annual accounts originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain. In the event of a discrepancy, the Spanish language version prevails.

1. General information

TÉCNICAS REUNIDAS, S.A. (the Company) was incorporated on 6 July 1960 as a limited liability company ("sociedad anónima"). It is entered in the Madrid Mercantile Register, volume 1407, sheet 129, page 5692 of the companies book. The latest adaptation and amendment of its Articles of Association is registered in volume 22573, section 8, book 0, sheet 197, page M-72319, entry 157. The registered office of Técnicas Reunidas, S.A. is located at Calle Arapiles 14, Madrid. Its head office is located at Calle Arapiles 13, Madrid.

The Company's corporate purpose consists of the performance of all classes of engineering services and the construction of industrial plants, ranging from viability or basic and conceptual engineering studies to turnkey engineering, design and construction of large, complex projects, management of supply, equipment and material deliveries and construction of plants and related or associated services, such as technical assistance, construction supervision, project management, technical management, start-up and training.

Within its engineering services business, the Company operates through a number of business lines, mainly in the refinery, gas and energy sectors.

Since 21 June 2006, the shares of Técnicas Reunidas, S.A. are admitted to trading on the four Spanish stock exchanges and the continuous market; and are part of the Ibex35.

As indicated in Note 8, the Company is the parent company of a Group of companies. The accompanying financial statements were drawn up on an unconsolidated basis. On 25 February 2010, the Company's Board of Directors authorised the 2009 consolidated annual accounts of Técnicas Reunidas, S.A. and subsidiaries for issue. The consolidated accounts were drawn up under the International Financial Reporting Standards endorsed by the European Union (IFRS-EU). As per the consolidated annual accounts, the Group's equity at year-end 2009 stood at €317,439k (2008: €225,610k), a figure which includes Group profit for 2009 of €145,400k (2008: €140,284k).

2. Basis of presentation

a) <u>Fair presentation</u>

The 2009 annual accounts were prepared from the Company's accounting records and are presented in accordance with prevailing company law and the accounting rules laid down in Royal Decree 1514/2007 in order to present fairly the Company's equity, financial position and financial performance and to present accurately the cash flows reflected in the statement of cash flows.

The annual accounts have been prepared on a historical cost basis, with the exception of certain assets that must be carried at fair value under the Spanish Chart of Accounts (or Spanish GAAP).

The figures shown are presented in thousand euro, unless otherwise indicated.

b) Critical aspects of the measurement and estimation of uncertainty

The preparation of the annual accounts requires that management make estimates and judgments that may affect the accounting policies adopted and the amount of related assets, liabilities, revenues, income and the scope of related disclosures. Estimates and assumptions are based, among other aspects, on past experience or other events deemed reasonable in view of the facts and circumstances analysed at the balance sheet date, the result of which forms the basis for estimating the carrying amounts of assets and liabilities that cannot be immediately calculated in any other manner. Actual results may differ from estimated results.

Critical judgements and key sources of estimation uncertainty are assessed continually and are based on historic experience and other factors, including forward-looking expectations, are considered reasonable under the circumstances.

Key assumptions concerning the future and other key sources of estimation uncertainty are those that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities or a material impact on earnings performance. The main estimates applied by Company management are as follows:

Revenue recognition

The revenue recognition method applied by the Company is based on the percentage-of-completion. This revenue recognition method is applied only when the outcome of the contract may be reliably estimated and it is likely that the contract will generate profits. If the outcome of the contract may not be reliably estimated, revenues are recognised to the extent that costs are recovered. When it is likely that the costs of a contract will exceed the revenues, the loss is immediately recognised as an expense. When applying the percentage-of-completion method, the Company makes significant estimates relating to the total costs necessary to perform the contract. These estimates are reviewed and assessed regularly in order to verify whether or not a loss has been generated and whether it is possible to continue to apply the percentage-of-completion method, or is necessary to re-estimate the expected margin on the project. During the project, the Company also estimates probable contingencies related to the increase in the total estimated cost and adjusts revenue recognition accordingly.

Income tax and deferred tax assets

The calculation of income tax requires the interpretation of tax legislation applicable to the Company. There are also several factors related mainly, but not exclusively, to changes in tax laws and changes in the interpretation of tax laws already in force that require the use of estimates by Company management. In addition, the Company assesses the recoverability of deferred tax assets based on the existence of future taxable income against which these assets may be utilised.

Tax inspections

As disclosed in Note 24, at the date of authorising the annual accounts for issue, a tax inspection of the consolidated tax group was ongoing and management had not received any notification of any proposed taxation adjustments. The directors of the Company believe that although varying interpretations of tax legislation could give rise to additional tax liabilities as a result of the ongoing inspection, any possible assessments will not have a material impact on the annual accounts.

These estimates are based on the best information available and circumstances prevailing at 31 December 2009 and 2008. It is not possible to predict with any degree of certainty the ultimate outcome of the inspection.

Provisions

Provisions are recognised when it is probable that a present obligation, arising as a result of past events, will give rise to an outflow of resources embodying economic benefits, and the amount of the obligation can be estimated reliably. Significant estimates are required to fulfil the applicable accounting requirements. Company management estimates, evaluating all relevant information and events, the probability of a contingency occurring and the amount of the liability to be settled in the future.

Accounts receivable

The Company makes estimates relating to the collectability of trade receivables for projects affected by unresolved disputes or litigation in progress deriving from acceptance issues regarding executed work or the failure to comply with contractual clauses linked to the return on assets delivered to customers.

Fair value of unlisted financial instruments

The Company calculates the fair value of financial instruments (financial assets and liabilities) that are not traded on an active market using estimates made using a number of methods and assumptions that are based mainly on market conditions at each balance sheet date.

Warranty claims

The Company generally offers 24- or 36-month warranties on its work and services. Management estimates the relevant provision for future warranty claims based on past information regarding such claims, as well as recent trends that may suggest that past information regarding costs may differ from future claims.

Employee benefits

The present value of employee benefit obligations depends on a number of factors that are determined using actuarial assumptions. The assumptions made to determine the employee benefit costs and obligations include the appropriate discount rate and a growth rate for salaries and other benefits. Other key assumptions for pension obligations are based in part on prevailing market conditions. Any change in these assumptions will have an impact on the amount of the expense and liability recognised in connection with employee benefits.

Impairment of investments in Group companies, joint ventures and associates

Investments in Group companies, joint ventures and associates are tested for impairment, as set forth in Note 3. As these companies are not listed, their recoverable amounts are based on the carrying amount of the shareholdings adjusted for any unrealised capital gains at the measurement date. These calculations require the use of estimates.

Useful lives of items of PPE and intangible assets

Management determines the estimated useful lives and resulting depreciation and amortisation charges for PPE and intangible assets. The useful lives of non-current assets are estimated based on the period over which the asset will generate economic benefits. At each close, the Company reviews the useful lives of its assets. When changes are identified, the necessary adjustments are made on a prospective basis.

3. Accounting policies

3.1 Intangible assets

a) Software

Software includes the ownership and user rights for computer software acquired from third parties or developed by the Company and intended for use during several years. Software is amortised on a straight line basis over a four-year period from when it is implemented. Software maintenance charges are expensed in the year incurred.

b) Patents, licenses and trademarks

This heading recognises the amounts satisfied for ownership of or licences for its various items of industrial property. Industrial property has a finite useful life and is amortised over this term on a straight line basis.

c) Concessions

Concessions under construction refer to the administrative authorisation granted by a number of municipal councils to build and operate car parks and other assets for the period of time stipulated in each contract. The accounting treatment of these assets has been defined based on the classification of the concession assets as intangible assets measured at fair value (understood to be the value resulting from their construction). Once the assets covered by the concession become operational, the concession receipts are recognised as revenues, operating expenses are expensed currently while the intangible assets are amortised on a straight-line basis over the term of the concession. Project returns are reviewed at each close to assess whether or not there is any indication of impairment, suggesting that the value assigned to these assets may not be recoverable through the revenues generated while in use.

The table below details the most significant terms and conditions of the service concession arrangements operated by the Group:

Concession	Term	Remuneration	Redemption
Alcobendas sports complex (**)	50 years	User charges	At end of concession term
San Sebastián de los Reyes sports complex, car park and public spaces (**)	50 years	User charges	The municipal council can opt to extend the concession term to 60 years
Underground car park at Huercal - Overa (Almeria) (*)	30 years	User charges	Subject to successive term extensions
Sports complex at Huercal - Overa (Almeria) (**)	50 years	User charges	At end of concession term
Pulpí underground car park (**)	40 years	User charges	At end of concession term
Alcobendas underground car park (**)	75 years	User charges	At end of concession term

(*) Operative concessions
(**) Concessions under construction

The revenue and profit recognised in the 2009 income statement in respect of concessions under construction was €16,825k and €1,872k, respectively (2008: €6,171k of revenue and €859k of profit).

Concession assets under construction have been financed with credit facilities amounting to €19,239k.

Throughout the life of these concessions, the concessionaire is obliged to repair and maintain the facilities in order to deliver them to the concession grantor at the end of the concession terms in a perfect state of repair. These expenses are recognised as accrued.

There have been no changes in the service concession arrangements in which the Company has interests. All the above listed concessions are governed by the Contracting with Public Authorities Act.

3.2 Property, plant and equipment

Items of property, plant and equipment are recognised at cost less accumulated depreciation and any accumulated impairment losses.

The costs incurred to extend, modernise or upgrade items of property, plant and equipment are capitalised only when they entail an increase in the asset's capacity, productivity or an extension of its useful life, and so long as it is possible to ascertain or estimate the carrying amount of the assets derecognised in the course of the substitution.

The cost of major repairs are capitalised and depreciated over their estimated useful life, while recurring maintenance expenses are taken to the income statement in the year incurred.

The depreciation of items of property, plant and equipment is calculated on a straight-line basis based on their estimated useful lives and residual values, with the exception of land which is not depreciated.

The estimated useful lives of each asset category are as follows:

	Depreciation rates
Buildings	2%
Laboratory facilities	20%
Photocopiers	10%
General installations	6%
Air conditioning installations	8%
Topography work stations	10%
Furniture and office equipment	10%
Other equipment	15%
Data-processing equipment	25%
Vehicles	14%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

When the carrying amount of an asset is higher than its estimated recoverable value, the carrying amount is immediately reduced accordingly.

Gains and losses on the sale of property, plant and equipment are calculated by comparing the revenue obtained with the carrying amount and are recognised in the income statement.

Own work capitalised is calculated by summing the acquisition cost of consumables, direct costs and indirect costs attributable to the assets and is recognised as revenue in the income statement.

The borrowing costs directly attributable to the acquisition or construction of items of property, plant and equipment that require more than a year to ready for their intended use are capitalised until the qualifying assets are ready for use.

3.3 Impairment of non-financial assets

The Company has not recognised any intangible assets with an indefinite useful life in the balance sheet.

The Company reviews the assets subject to depreciation at each close to verify whether or not any events or changes in circumstances indicate that the carrying amount may not be recoverable. The excess of the carrying amount of an asset over its recoverable amount, deemed the higher of fair value less costs to sell or value in use, is recognised as an impairment loss. For the purposes of evaluating impairment losses, assets are grouped into the smallest identifiable group of assets that generates cash inflows that are largely independent (cash generating units). For those assets that do not generate cash flows that are largely independent, the recoverable amount is determined for the cash-generating units to which the asset belongs. Impaired non-financial assets are reassessed at each balance sheet date for potential reversal of the impairment.

3.4 Financial assets

Management establishes the classification of investments for measurement purposes upon initial recognition and reviews the classification at each reporting date. The classification depends on the purpose for which the financial assets were acquired. Financial assets are measures as follows:

<u>a) Loans and receivables:</u> financial assets deriving from the sale of goods or rendering of services as part of the Company's ordinary course of business. This category also includes loans that are not commercial in origin, are neither equity instruments nor derivatives, carry fixed or determinable payments and are not quoted in an active market.

These financial assets are recognised initially at fair value, including directly attributable transaction costs, and are subsequently measured at amortised cost using the effective interest method. Nevertheless, trade payables which are due within less than one year are carried at nominal value, upon initial recognition and for subsequent measurement purposes, when the effect of not discounting the cash flows is not material.

Loans and receivables are tested for impairment at least at year-end and the corresponding impairment losses are recognised when there is objective evidence that all amounts due to the Company will not be collected. Impairment losses are recognised at the difference between the carrying amount of the asset and the present value of estimated future cash flows, discounted at the effective interest rate prevailing at the initial recognition date. Impairment losses and any subsequent reversals are recognised in the income statement.

<u>b) Held-to-maturity investments:</u> debt securities with fixed maturities and fixed or determinable payments traded on active markets which the Company has the positive intention and the ability to hold to maturity.

These investments are measured using the same criteria as loans and receivables, namely they are recognised initially at fair value and are subsequently measured at amortised cost plus accrued interest, calculated using the effective interest rate method.

<u>c) Financial assets held for trading:</u> this heading includes financial assets designated at fair value through profit or loss and all assets held for trading acquired for sale in the short term or as part of a portfolio of identified financial instruments that are managed together with a view to generating short term returns. These assets are initially recognised at fair value and subsequent changes in their fair value are recognised directly in the income statement.

d) Other financial assets at fair value through profit or loss: other financial assets designated by the Company for inclusion in this category upon initial recognition because doing so results in more relevant information. Derivatives are also classified as held for trading unless they constitute financial guarantee contracts or are designated as hedging instruments.

These instruments are initially recognised and subsequently measured at fair value and any changes in fair value are recognised in the income statement. Transaction costs that are directly attributable to the acquisition of these assets are expensed currently.

The fair values of quoted investments are based on prevailing bid prices. If there is no active market for a financial asset (as in the case of unlisted securities), the Company establishes fair value by using valuation techniques such analysis of recent transactions between knowledgeable, willing parties involving instruments which are substantially identical, as well as discounted cash flow analysis. In the event that neither of the methods mentioned above may be used to estimate fair value, the investments are carried at acquisition cost less any impairment losses.

e) Investments in Group companies, joint ventures and associates: this category recognises equity investments in Group companies, joint ventures and associates. These financial assets are measured at cost, less any accumulated impairment losses. At year-end the Company determines whether there is any objective evidence that the carrying amount of these investments may not be recoverable, recognising any corresponding impairment losses, calculated as the difference between the investment's carrying amount and recoverable amount, deemed to be the higher of fair value less costs to sell and the present value of projected cash flows from the investment. Unless better evidence is available, impairment of this type of asset is estimated based on the investee's equity, adjusted for any unrealised capital gains at the measurement date. Impairment losses and any subsequent reversals are recognised in the income statement in the year they arise.

3.5 Inventories

Inventories include the cost of construction of investment property held for sale and also the cost of certain materials yet to be allocated to projects. The costs incurred to submit bids are recognised in inventories when it is likely or certain that the contract will be secured or when it is known that the costs will be reimbursed or included in the revenues originating from the contract. Inventories are stated at the lower of cost and net realisable value. Cost is calculated as the acquisition price or direct production cost. The cost of inventories includes design costs, raw materials, direct labour, other direct costs and manufacturing overheads (based on ordinary operating capacity), excluding interest expense. The net realisable value is the estimated selling price in the ordinary course of business, less applicable variable cost of sales.

3.6 Cash and cash equivalents

Cash and cash equivalents include cash, demand deposits at credit institutions and other short-term highly liquid investments with an original maturity of three months or less, subject to an insignificant risk of changes in value. Bank overdrafts are included within borrowings in current liabilities on the balance sheet. The Company had no bank overdrafts at either year-end 2009 or 2008.

3.7 Equity

The Company's share capital is represented by common shares.

The costs of issuing new shares or stock options are recognised directly against equity as a deduction from reserves.

If the Company purchases treasury shares, the consideration paid, including any directly attributable incremental costs, is deducted from equity until the shares are redeemed, reissued or sold. When these shares are sold or subsequently reissued, any amount received, net of any incremental directly attributable transaction cost, is included in equity.

3.8 Financial liabilities

For measurement purposes, financial liabilities are classified as follows:

a) Creditors and payables: financial liabilities deriving from the purchase of goods or contracting of services as part of the Company's ordinary course of business. This category also includes non-trade payables that are neither derivative nor equity instruments. These payables are initially recognised at fair value, adjusted for directly attributable transaction costs, and are subsequently measured at amortised cost using the effective interest rate method. Nevertheless, trade payables which are due within less than one year and do not carry a contractual interest rate are carried at their nominal value, upon initial recognition and for subsequent measurement purposes, when the effect of not discounting the cash flows is not material.

These financial liabilities are initially recognised and subsequently measured at fair value and any changes in fair value are recognised in the income statement. Transaction costs that are directly attributable to the issuance of these liabilities are recognised in the income statement in the year they arise.

Financial liabilities falling due in less than 12 months from the balance sheet date are classified as current while those falling due in more than 12 months are classified as non-current.

A financial liability is derecognised when the corresponding obligation is extinguished.

3.9 Grants

Government grants are recognised at fair value when there is reasonable assurance that the grant will be collected and the Group will comply with all established terms and conditions.

Government grants for the acquisition of items of property, plant and equipment or intangible assets are included in non-current liabilities as deferred government grants and released to the income statement on a straight-line basis over the estimated useful lives of the assets concerned.

3.10 Financial derivatives and hedges accounting

Derivative financial instruments are initially recognised at fair value at contract inception and are subsequently remeasured to fair value. The recognition of gains or losses arising from changes in the fair value in each period depends on whether the derivative is designated as a hedging instrument and, if so, on the nature of the item hedged.

The Company designates certain derivatives as cash flow hedges. At hedge inception, the Company documents the relationship between hedging instruments and the hedged items, in addition to its risk management objective and the strategy to be employed in each hedge transaction.

The effective portion of changes in the fair value of derivatives designated and qualifying as cash flow hedges is recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in finance income or cost in the income statement. Amounts deferred in equity are transferred to the income statement in the year in which the hedged item affects profit or loss. When the hedged forecast transaction results in the recognition of a non-financial asset or liability, the losses and gains previously deferred in equity are transferred out of equity, and included in the initial measurement of the cost of the asset or liability.

However, if the transaction is no longer considered probable, the gains or losses accumulated in equity are recognised immediately in the income statement.

In the case of derivatives not designated as hedging instruments, or which do not qualify for hedge accounting, fluctuations in their fair value at each measurement date are recognised as financial income or expense in the income statement.

3.11 Current and deferred tax

Tax expense (income) is the amount of income tax accrued for the year and includes current and deferred tax expense (income).

Both current and deferred tax expense (income) are recognised in the income statement. However, the tax effects of items recognised directly with a credit or charge to equity are also recognised in equity.

Current tax assets and liabilities are measured at the amounts expected to be payable or recoverable from the tax authorities based on tax regulations prevailing at year end. Deferred tax assets and liabilities are not discounted for measurement purposes.

Deferred taxes are calculated, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the tax assets can be utilised.

Deferred tax liabilities are recognised for all taxable temporary differences.

However, if the deferred taxes arise from the initial recognition of a liability or an asset in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss), they are not recognised.

The deferred tax is determined applying the tax rules and using tax rates enacted or substantially enacted at the balance sheet date and expected to apply when the corresponding deferred tax asset is realised or the deferred tax liability is settled.

Técnicas Reunidas, S.A. files its taxes as part of a consolidated tax group together with certain Group companies.

3.12 Provisions and contingent liabilities

The Company recognises provisions when it has a present legal or constructive obligation as a result of past events, the settlement of which is expected to result in an outflow of resources, the amount of which can be reliably estimated. The Company does not recognise provisions for future operating losses although it does recognise provisions for engineering contracts expected to generate losses.

Provisions are recorded based on the best estimate of the liability payable by the Company, bearing in mind the effects of exchange rate fluctuations on amounts denominated in foreign currency and the time value of money, if the effect of discounting is significant.

Contingent liabilities, meanwhile, are possible obligations that arise from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are not recognised in the financial statements but are disclosed in the accompanying notes (Note 27).

3.13 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable on the sale of goods and services in the ordinary course of the Company's business. Revenue is recognised net of value added tax, returns, rebates and discounts. The Company recognises revenue when the amount can be reliably calculated, the future economic benefits are likely to flow to it and the specific conditions applicable to each of its businesses are fulfilled, as described below. The amount of revenue cannot not be measured until all of the contingencies associated with the sale have been resolved. The Company's estimates are based on historical data, taking into account customer and transaction types, as well as the specific terms of each contract.

Administrative contracts: revenue from the rendering of services under administrative contracts is recognised in the financial year in which the services are provided by reference to the stage of completion of the actual service. The price payable by the end customer consists of the direct costs incurred, to which a fixed margin is applied for indirect costs and business profit.

Engineering contracts: when the outcome of a contract cannot be reliably estimated, the relevant revenues are recognised to the extent of the expenses recognised that are recoverable.

When the outcome of a contract can be reliably estimated and it is probable that the contract will be profitable, contract revenues are recognised over the term of the contract. The revenue recognition method for turnkey engineering contracts varies based on the estimated results. When it is probable that the contract costs will exceed total contract revenues, the expected loss is recognised immediately as an expense.

The Company uses the percentage-of-completion method to calculate the adequate amount to be recognised in a given accounting period. The percentage-of-completion is determined based on a financial assessment of costs of the services performed at the balance sheet date as a percentage of the estimated cost of total services to be performed for each contract.

Contract revenues arising from claims made by the Company against customers or from changes in the scope of the project concerned are included in service revenue when they are approved by the final customer or when it is probable that the Company will receive an inflow of funds.

The Company recognises a receivable for the gross amount owed by customers for work performed under all ongoing contracts for which the costs incurred plus recognised profits (less recognised losses) exceed the amount of interim billings.

The Company recognises a liability for the gross amount owed by customers for work performed under all ongoing contracts for which the interim billings exceed costs incurred plus recognised profits (less recognised losses).

Costs incurred to present bids for construction contracts in Spain and abroad are expensed in the income statement when incurred, whenever it is not likely or certain at that date that the contract will be awarded to the Company. The cost of submitting bids is included in the cost of the contract when it is likely or certain that the contract will be won, or when it is known that these costs will be reimbursed or included in the revenues originating from the contract.

Service concession arrangements

Revenue from activities performed under concession arrangements are recognised as a function of services rendered at the contractually agreed prices.

Interest income

Interest income is recognised using the effective interest method.

Revenue from dividends

Revenue from dividends is recognised when the shareholder's right to receive payment is established.

3.14 Foreign currency transactions

Functional and presentation currency

The Company's annual accounts are presented in euro, which is both its functional and presentation currency.

Transactions and balances

Transactions in foreign currency are translated to the functional currency using the exchange rates in force at the transaction dates.

Foreign currency gains and losses resulting from the settlement of transactions and translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currency are recognised in the income statement, unless they are deferred in equity as part of eligible cash flow hedges.

3.15 Employee benefits

a) Pension commitments

The Company has assumed commitments to its employees in the form of defined benefit retirement plans. Generally a defined benefit plan establishes the amount of the benefit that will be received by an employee at the time of retirement, normally on the basis of one or more factors such as age, years of service or remuneration.

The Company recognises a provision in the balance sheet in connection with its defined benefit pension plans at the difference between the present value of committed remuneration payments and the fair value of the plan assets to be monetised to settle these obligations, less any as yet unrecognised past service costs.

If this difference gives rise to the recognition of an asset, its measurement may not exceed the present value of the benefits that may be repaid to the Company in the form of direct reimbursements or reduced future contributions, plus any past service costs pending recognition in the income statement. If the Company has to make any adjustment in respect of this asset measurement cap, the adjustment is recognised directly in equity within reserves.

The present value of the obligation is determined using actuarial calculation methods and unbiased and mutually compatible financial and actuarial assumptions.

Any changes at the balance sheet date in the fair value of the promised pensions, or in the fair value of plan assets where appropriate, attributable to actuarial gains or losses are recognised in the year in which they arise, directly in equity, within reserves. For these purposes, gains or losses relate exclusively to variations arising from changes to actuarial assumptions or adjustments applied based on experience.

Past service costs are recognised immediately in the income statement unless they relate to conditional rights or vested benefits, in which case they are recognised in the income statement on a straight line basis over the remaining vesting period. However, if an asset is recognised, the vested benefits are recognised in the income statement immediately, unless it gives rise to a reduction in the present value of the benefits that may be repaid to the Company in the form of direct reimbursements or reduced future contributions, in which case the surplus over this reduction is recognised immediately in the income statement.

b) Termination benefits

Termination benefits are paid to employees as a result of the Company's decision to terminate employment contracts before the normal retirement age or when employees voluntarily agree to resign in return for such benefits. The Company recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

3.16 Leases

Finance leases

Asset leases in which the Company acts as lessee and obtains substantially all the risks and rewards of ownership of the assets are classified as finance leases. Finance leases are recognised at the commencement of the lease term at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Present value is calculated using the rate of interest implicit in the lease agreement, or the interest rate used by the Company for similar transactions.

Lease payments are apportioned between finance charges and reduction of the lease liability. The total finance charge is apportioned over the term of the lease and is recognised in the income statement in the year accrued. The payment obligation under the lease, net of finance charges, is recognised in non-current payables, except for the portion falling due within 12 months. Items of property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset and the lease term.

Operating leases

Leases arrangements where the lessor retains substantially all the risks and benefits inherent to ownership of the asset are classified as operating leases. When the Company acts as lessee, operating lease payments (net of any bonus received by the lessor) are recognised in the income statement on a straight line basis over the lease term.

3.17 Group companies and associates

For the purposes of presenting its annual accounts, a Group company is one over which the Company exercises control. Control is presumed to exist when the shareholding exceeds 50% of the voting rights or, if less, when other reasons or events demonstrate the existence of control (for example, agreements between shareholders).

Associates are companies over which the Company exercises significant influence but not control. Significant influence is presumed to exist when the shareholding is between 20% and 50% of voting rights or, when the shareholding is lower, there are events and circumstances which demonstrate the exercise of significant influence.

3.18 Temporary joint ventures (UTEs) and consortiums

The proportional part of the balance sheet and income statement items of UTEs and consortiums are incorporated into the Company's balance sheet and income statement based on its ownership interest in the venture.

None of the UTEs use accounting criteria that differ from those applied by the Company.

3.19 Business combinations

The Company recognises investments arising from the acquisition of shares or equity stakes in another company in accordance with the rules for accounting for investments in Group companies, joint ventures and associates (Note 3.4).

3.20 Related party transactions

As a general rule, transactions between Group companies are initially recognised at fair value and in accordance with the economic substance of the transaction. Subsequent measurement complies with prevailing accounting rules.

3.21 Cash-flows statement

The following expressions are used in the statement of cash flows:

- Cash flows: inflows and outflows of cash and cash equivalents (Note 14)

- Cash flows from operating activities: payments and collections arising from the principal revenue-producing activities of the Company and other activities that are not investing or financing activities.

- Cash flows from investing activities: payments and collections originating in the acquisition and disposal of non-current assets.

- Cash flows from financing activities: payments and collections arising from the issue and repayment/cancellation of financial liabilities, equity instruments and dividends.

4. Financial risk management

4.1 Financial risk factors

a) Market risk

a.1) Foreign exchange risk

The Company operates in the international arena and therefore it is exposed to foreign exchange risks on transactions denominated in foreign currency, particularly the US dollar (USD) and, to a lesser extent, currencies tied to the dollar. There is residual exposure to suppliers in other currencies (principally yen, roubles and Australian dollars). Foreign exchange risk arises on forecast commercial transactions and recognised assets and liabilities.

To manage the foreign exchange risk that derives from future transactions and recognised assets and liabilities, the Company uses forward contracts, in accordance with the hedging policy in place, brokered by the Company's corporate treasury department. Foreign exchange risk arises when the future transactions and recognised assets and liabilities are denominated in a currency other than the Company's functional currency. The treasury department is responsible for managing the net position in each foreign currency using external foreign exchange forward contracts. In addition, the Company tries to hedge exchange rate risk via "multicurrency" contracts with its customers, segregating the selling price in the various currencies from the foreseen expenses and preserving the projected margins in euro terms.

The Company's risk management policy to hedge most highly probable forecast transactions in each of the main currencies during the months the project is scheduled to last. The portion of the risk to be hedged in relation to projected sales in each of the main currencies varies by project. These hedges are classified as highly probable forecast transactions for hedge accounting purposes.

The nature of the Company's business operations means that it is very common to denominate customer transactions in US dollars, while the corresponding costs are habitually denominated in multiple currencies, albeit principally US dollars. If at year-end 2009 the euro had depreciated / appreciated against the US dollar by a hypothetical 10%, leaving all other variables constant, profit before tax for the year would have been €3,240k / €2,357k higher / lower (2008: €18,162k / €14,859k higher / lower), mainly due to hypothetical gains / losses generated on the revaluation / devaluation of open positions in US dollars.

Meanwhile, if at year-end 2009 the euro had depreciated / appreciated against the US dollar by a hypothetical 10%, equity would have been €12,795k / €12,892k lower / higher (2008: €3,417k / €2,885k lower / higher); these amounts were calculated based on the changes in profits outlined in the paragraph above and the estimated changes in the value of hedging derivatives recognised in the hedging reserve (all before considering the related tax effects).

a.2) Price risk

The Company is exposed to price risk with respect to equity instruments. The exposure to this risk is limited as the investments held by the Company and classified in the balance sheet at fair value through profit or loss are not significant (Note 10).

The Company is partially exposed to commodity price risks, basically metals and oil, to the extent that they affect the price of equipment and manufactured materials used in construction projects. In general these impacts are effectively passed on in selling prices by all peer contractors operating in the sector.

The Company reduces and mitigates price risk through the policies established by Group management, which basically consist of accelerating or slowing the rate of placements and selecting the currencies and countries of origin. An additional mechanism used to mitigate this risk takes the form of contracting formulae that apportion a price component for covering possible cost deviations.

a.3) Interest rate risk, cash flow and fair value

The Company generally ensures that the projects in which it participates are self-financing, establishing invoicing and collection milestones with its customers that cover the payment deadlines committed to with suppliers. This is why the Company presents a significant net cash balance. This means that interest rate risk on liability positions is negligible.

The following table depicts exposure to floating interest at the close of each year:

	2009			2008		
	Referenced to Euribor	**Other benchmarks**	**Total**	**Referenced to Euribor**	**Other benchmarks**	**Total**
Borrowings (Note 21)	(19,660)	-	(19,660)	(20,167)	(8,346)	(28,513)
Interest-earning cash and cash equivalents (Note 14)	183,296	180,915	364,211	211,981	76,074	288,055
Net cash position	**163,636**	**180,915**	**344,551**	**191,814**	**67,728**	**259,542**

Based on sensitivity analysis performed on cash and cash equivalents, the impact of a 25 basis point fluctuation (in either direction) in interest rates would imply, at most, an increase / decrease in profit of €911k (2008: €720k).

b) Credit risk

The Company manages its credit risk exposure as a function of the following groups of financial assets:

- Assets arising from derivatives (Note 12)
- Various balances included in cash and cash equivalents (Note 14)
- Trade and other receivable balances (Note 11).

The derivatives and other instruments brokered with financial institutions included as cash and cash equivalents are contracted with highly prestigious financial entities with high credit ratings. Investments in treasury bonds and treasury bond repos also carry high sovereign bond ratings.

Key customers represented 67% of total “Trade receivables” (within Trade and other receivables) at 31 December 2009 (2008: 79%) and are tied to transactions with entities such as state oil companies or multinationals, along with major Spanish energy groups. As a result, the Company considers credit risk to be very low. In addition to the analysis performed before entering into a contract, the global position of trade and other receivables is monitored on an ongoing basis, while the most significant exposures (including exposure to the type of entities mentioned earlier) are monitored at the individual level.

The balance of trade receivables past due but not impaired at 31 December 2009 was €65,898k (2008: €91,193k), and primarily correspond to amounts past due by less than 6 months.

Trade receivables are generally not secured by collateral or subject to other credit enhancements, except when warranted by specific circumstances.

c) Liquidity risk

The prudent management of liquidity risk entails maintaining sufficient cash and marketable securities, ensuring available funding in the form of sufficient committed credit facilities and the ability to monetise market positions. Due to the dynamic nature of the underlying businesses, the Group's treasury department aims to maintain funding flexible by keeping credit lines available.

Management monitors liquidity forecasts on the basis of projected cash flows. As mentioned above, the goal of having projects self-finance themselves results in significant net cash balances. In addition, the Company has in place undrawn credit lines that increase its liquidity balance. As a result, the Company's directors believe that its liquidity risk is low. The following is a breakdown of the significant liquidity parameters:

	Thousand euro	
	2009	**2008**
Bank borrowings (Note 21)	(19,660)	(28,513)
Cash and cash equivalents (Note 14)	364,211	288,055
Net cash balance	**344,551**	**259,542**
Undrawn credit lines (Note 21)	72,973	29,933
Total liquidity reserves	**417,524**	**289,475**

The table below provides a maturity schedule analysis for the Company's financial liabilities, based on outstanding balances at the balance sheet date and the repayment terms and maturities stipulated in the financing contracts. The amounts shown in the table correspond to the undiscounted cash flows stipulated in the corresponding contracts. The balances payable within 12 months are equivalent to their carrying amounts, since the effect of discounting them is insignificant.

Thousand euro	**Less than one year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
At 31 December 2009				
Borrowings	450	1,756	1,877	15,577
Derivative financial instruments	7,455	195	-	-
Trade payables	1,026,670	-	-	-
Non-accrued interest payable	6	26	70	148
Total	**1,034,581**	**1,977**	**1,947**	**15,725**
At 31 December 2008				
Borrowings	15,295	660	2,942	9,616
Derivative financial instruments	14,282	13,648	-	-
Trade payables	1,211,813	-	-	-
Non-accrued interest payable	891	1,033	1,299	1,981
Total	**1,242,281**	**15,341**	**4,241**	**11,597**

4.2. Fair value estimation

The fair value of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The fair value of financial instruments traded on active markets is based on market prices at each reporting date.

The fair value of unlisted financial instruments is determined using valuation techniques. To this end, the Company relies primarily on valuation methods based on recent comparable market transactions as well as discounted cash flow analysis. Other methods such as discounted cash flow analysis are used to determine the fair value of all other financial instruments.

The fair value of trade receivables and payables is assumed to approximate their carrying amount less any impairment provisions. The fair value of financial liabilities for reporting purposes is estimated by discounting future contractual cash flows at the prevailing market interest rate that would be borne by the Company on equivalent financial instruments.

5. Intangible assets

The breakdown of and changes in the items composing “Intangible assets” are as follows:

	Thousand euro			
	Concessions	Patents, licenses and trademarks	Software	Total
Balance at 01/01/2008				
Cost	18,386	-	4,998	23,384
Accumulated amortisation	-	-	(3,263)	(3,263)
Accumulated impairment losses	-	-	-	-
Carrying amount	**18,386**	**-**	**1,735**	**20,121**
Additions	6,556	13	793	7,362
Decreases	-	-	-	-
Amortisation charge	-	-	(670)	(670)
Balance at 31/12/2008				
Cost	24,942	13	5,791	30,746
Accumulated amortisation	-	-	(3,933)	(3,933)
Accumulated impairment losses	-	-	-	-
Carrying amount	**24,942**	**13**	**1,858**	**26,813**
Additions	16,726	-	136	16,862
Decreases	-	-	(95)	(95)
Amortisation charge	(55)	-	(443)	(498)
Impairment losses recognised	(1,200)	-	-	(1,200)
Balance at 31/12/2009				
Cost	41,668	13	5,830	47,511
Accumulated amortisation	(55)	-	(4,374)	(4,429)
Accumulated impairment losses	(1,200)	-	-	(1,200)
Carrying amount	**40,413**	**13**	**1,456**	**41,882**

Concessions relate to the construction cost of various assets (car parks and others) for which the Company has obtained the operating concession for a specified period. At the end of the concession term the assets revert in their entirety to the concession grantor. The Company will amortise the capitalised concession assets over the relevant concession terms.

The concession known as the “Underground Huércal-Overa Theatre car park”, associated with a balance of €812k, entered into operation on 31 December 2009. The other concession assets remain in progress. Once operative, the concession terms range from 30 to 75 years.

In 2009 the Company recognised impairment losses amounting to €1,200k in connection with concession assets.

In 2009, the Company capitalised borrowing costs in connection with financing obtained specifically for the construction of concession assets. Capitalised borrowing costs totalled €1,175k (2008: €1,472k).

Software records the ownership and user rights for computer software acquired from third parties.

At 31 December 2009 there were fully amortised intangible assets still in use with an original cost of €4,701k (2008: €4,563k).

6. Property, plant and equipment

The breakdown of and changes in the items composing "Property, plant and equipment" are as follows:

	Thousand euro		
	Land and buildings	**Plant and other items of PPE**	**Total**
Balance at 01/01/2008			
Cost	549	22,324	22,873
Accumulated depreciation	(308)	(10,367)	(10,675)
Carrying amount	**241**	**11,957**	**12,198**
Additions	-	9,509	9,509
Decreases	-	(123)	(123)
Depreciation charge	(10)	(2,824)	(2,834)
Balance at 31/12/2008			
Cost	549	31,710	32,259
Accumulated depreciation	(318)	(13,191)	(13,509)
Carrying amount	**231**	**18,519**	**18,750**
Additions	-	3,044	3,044
Decreases	-	(166)	(166)
Depreciation charge	(10)	(3,814)	(3,824)
Balance at 31/12/2009			
Cost	549	34,348	34,897
Accumulated depreciation	(328)	(16,765)	(17,093)
Carrying amount	**221**	**17,583**	**17,804**

a) Impairment losses

In 2009 the Company neither recognised new impairment losses nor reversed previously recognised impairment losses on any individual item of property, plant and equipment.

b) Property, plant and equipment located abroad

At 31 December 2009, the carrying amount of items of property, plant and equipment located outside Spain was €1,111k (2008: €335k). Accumulated depreciation on these assets stands at €251k (2008: €293k).

c) Fully depreciated assets

At 31 December 2009 there were there were fully depreciated items of property, plant and equipment still in use with an original cost of €8,837k (2008: €7,673k).

d) Assets under finance lease

"Plant and other items of PPE" includes the following amounts held under finance leases in which the Company is the lessee:

	Thousand euro	
	2009	**2008**
Capitalised finance lease cost	4,245	3,933
Accumulated depreciation	(2,907)	(2,069)
Carrying amount	**1,338**	**1,864**

Finance lease agreements entered into by the Company mainly relate to the acquisition of computer equipment. These contracts have an average term of 3 years.

d) Assets under operating lease

The 2009 income statement recognises operating lease expense related to office rentals in the amount of €37,078k (2008: €31,835k).

f) Insurance

The Company's policy is to write any insurance policies deemed necessary to cover risks that could affect its property, plant and equipment.

7. Analysis of financial instruments

7.1 Analysis by category

The carrying amounts of the financial instrument categories set out in the rules for recognition and measurement of financial instruments, with the exception of investments in Group companies, joint ventures and associates (Note 8), are follows:

a) Financial assets:

					Thousand euro
At 31 December 2009	**Available-for-sale (Note 9)**	**At fair value through profit or loss (Note 10)**	**Loans and receivables**	**Hedging derivatives (Note 12)**	**Cash and cash equivalents (Note 14)**
Equity instruments	192	-	-	-	-
Derivatives	-	-	-	121	-
Other financial assets	-	´-	2,558	-	-
Non-current	**192**	**-**	**2,558**	**121**	**-**
Equity instruments	-	15,387	-	-	-
Derivatives	-	-	-	9,262	-
Other financial assets	-	-	760,605	-	364,211
Current	**-**	**15,387**	**760,605**	**9,262**	**364,211**

					Thousand euro
At 31 December 2008	**Available-for-sale (Note 9)**	**At fair value through profit or loss (Note 10)**	**Loans and receivables**	**Hedging derivatives (Note 12)**	**Cash and cash equivalents (Note 14)**
Equity instruments	192	-	-	-	-
Derivatives	-	-	-	5,834	-
Other financial assets	-	-	2,662	-	-
Non-current	**192**	**-**	**2,662**	**5,834**	**-**
Equity instruments	-	13,428	-	-	-
Derivatives	-	-	-	3,345	-
Other financial assets	-	-	954,140	-	288,055
Current	**-**	**13,428**	**954,140**	**3,345**	**288,055**

b) Financial liabilities:

At 31 December 2009	Creditors and payables	Hedging derivatives (Note 12)
	Thousand euro	
Bank borrowings (Note 21)	19,210	-
Derivatives	-	194
Other financial liabilities (Note 21)	846	-
Non-current	**20,056**	**194**
Bank borrowings (Note 21)	450	
Derivatives		7,455
Other financial liabilities	1,038,499	
Current	**1,038,949**	**7,455**

At 31 December 2008	Creditors and payables	Hedging derivatives (Note 12)
	Thousand euro	
Bank borrowings (Note 21)	16,062	-
Derivatives	-	13,648
Other financial liabilities	932	
Non-current	**16,994**	**13,648**
Bank borrowings (Note 21)	12,451	-
Derivatives	-	14,282
Other financial liabilities	1,226,535	-
Current	**1,238,986**	**14,282**

7.2 Analysis by maturity

Financial instrument maturities are disclosed in the corresponding notes for the various instrument classes.

8. Investments in Group companies, joint ventures and associates

The breakdown of investments in Group companies, joint ventures and associates is as follows:

	Thousand euro	
	2009	**2008**
Equity instruments	35,438	38,876
Non-current	**35,438**	**38,876**
Loans	46,651	33,739
Other financial assets	39,743	45,520
Current	**86,394**	**79,259**

Current

At 31 December 2009, loans to Group companies includes €24,169k (2008: €17,146k) relating to tax receivables arising from income taxes payable by the companies comprising the consolidated tax group (Note 24). The rest of this balance corresponds to trade credit extended to Group companies, associates and UTEs, relating primarily to the provision of engineering services. The loans to partners in UTEs and joint ventures earn interest at market rates (Euribor + 80bp)

At year-end 2009 "Other financial assets" includes €28,000k (2008: €38,500k) corresponding to dividends pending collection from Group companies.

The carrying amount of loans to Group companies and other financial assets above does not differ materially from the fair values of these financial assets.

Non-current

This heading corresponds to the Company's investments in Group companies, joint ventures and associates.

In 2009, total dividends received amounted to €34,854k (2008: €44,598k) and are recognised as finance income in the income statement (Note 26).

In 2009 there were no changes in investments in Group companies, joint ventures or associates. The following changes in non-current equity holdings took place in 2008:

- Incorporation of Técnicas Reunidas Hellas, Técnicas Reunidas Netherlands, TR De Construcao and Técnicas Reunidas Australia Pty Ltd., whose corporate purpose is to provide engineering and project management services.

- In November 2008, the Company subscribed to the rights issue undertaken by Green Fuel Corporación, S.A., in which it held a stake of 20.93% at the end of 2007. As consideration, the Company made a non-cash contribution of shares in Green Fuel Aragón, S.A. and Green Fuel Internacional, S.A., in which it held stakes of 20.84% and 26.00% at the end of 2007, respectively, Following this transaction, the Company's shareholding in Green Fuel Corporación, S.A. stood at 25.07%.

- In September 2008, the shares owned by one of the partners in Ibérica del Espacio, S.A., in which the Company held a 20.71% stake at year-end 2007, were sold to the other shareholders. In the wake of this acquisition, the Company owns 45.74% of Ibérica del Espacio, S.A.

The breakdown of investments in Group companies, joint ventures and associates at 31 December 2009 and 2008 is as follows:

Investments in Group companies, joint ventures and associates at year-end 2009

Company	Registered office	Activity	Direct interest	Carrying amount	Equity at year-end 2009 (thousand euro) Capital	Reserves	Profit/(loss)
Comercial Técnicas Reunidas, S.L.	MADRID	COMMERCIAL DEVELOPMENT	100.00%	-	3	-	-
Técnicas Reunidas Internacional, S.A.	MADRID	ENGINEERING SERVICES	100.00%	120	120	4,443	(252)
Termotécnica, S.A.	MADRID	EQUIPMENT WHOLESALING	99.98%	300	781	631	427
TR Construcción y Montaje S.A.	MADRID	PROPERTY DEVELOPMENT	100.00%	150	332	1,158	19
Técnicas Reunidas Ecología, S.A.	MADRID	ENGINEERING SERVICES	100.00%	120	120	1,697	(176)
Técnicas Reunidas Metalúrgicas, S.A.	MADRID	ENGINEERING SERVICES	100.00%	60	120	636	(189)
Técnicas Reunidas Trade Panamá, S.A.	PANAMA	COMMERCIAL DEVELOPMENT	100.00%	46	46	36	-
Española de Investigación y Desarrollo S.A.	MADRID	ENGINEERING SERVICES	100.00%	438	90	864	2,170
TR Proyectos Internacionales, S.A.	MADRID	DEVELOPMENT AND CONTRACTING	100.00%	421	1,503	957	191
Técnicas Reunidas Venezuela	CARACAS	COMMERCIAL DEVELOPMENT	100.00%	9	9	-	-
Layar, S.A.	MADRID	CORPORATE MANAGEMENT	100.00%	6,728	1,085	3,673	250
Initec Plantas Industriales, S.A.	MADRID	ENGINEERING SERVICES	100.00%	4,613	6,600	114,040	62,148
Initec Infraestructuras, S.A.	MADRID	ENGINEERING SERVICES	100.00%	1,322	1,800	5,206	93
Técnicas Reunidas Ecuador	QUITO	ENGINEERING SERVICES	100.00%	4	3	-	-
Técnicas Reunidas Gulf Ltd.	YEDAH	ENGINEERING SERVICES	75.00%	15,339	550	9,376	16,215
ReciclAguilar, S.A.	MADRID	ENGINEERING SERVICES	80.00%	126	60	95	(51)
Técnicas Reunidas Hellas	ATHENS	ENGINEERING SERVICES	100.00%	60	60	-	666
Técnicas Reunidas Netherlands	HAGUE	ENGINEERING SERVICES	100.00%	18	18	-	1,455
TR De Construcao	LISBON	ENGINEERING SERVICES	100.00%	5	5	-	2,693
Técnicas Reunidas Australia Pty Ltd	MELBOURNE	DORMANT	100.00%	-	-	-	-
Total investment in Group companies				**29,879**			
Heymo Ingeniería, S.A.	MADRID	ENGINEERING SERVICES	39.98%	517	903	4,945	1,613
Layar Castilla, S.A.	MADRID	PROPERTY DEVELOPMENT	25.39%	565	685	1,029	46
Empresarios Agrupados, A.I.E.	MADRID	BUSINESS SERVICES	42.48%	69	162	588	-
Empresarios Agrupados Internacional, S.A.	MADRID	BUSINESS SERVICES	42.48%	264	1,202	4,336	1,335
KJT Engehnaria Materiais	MADEIRA	ENGINEERING SERVICES	33.33%	-	5	1,609	206
Damietta Project Management Co.	LONDON	ENGINEERING SERVICES	33.33%	1	1	135	-
Damietta LNG Construction	DAMIETTA	ENGINEERING SERVICES	33.33%	389	33,517	(29,200)	(1,361)
Ibérica del Espacio	MADRID	ENGINEERING SERVICES	45.73%	1,055	2,240	725	118
Green Fuel Corporación	SANTANDER	PROJECT ANALYSIS	25.07%	2,647	121	12,809	-
TR Ensol s.a.	MADRID	ENG. SERVICES / PROJECT MGT	50.00%	52	104	23	238
Proyectos Ebramex, S. de R.L. de C.V.	MEXICO CITY	ENGINEERING SERVICES	33.33%	-	21,639	(19,582)	(34,233)
Minatrico, S. de R.L. de C.V.	MEXICO CITY	ENGINEERING SERVICES	33.33%	-	41,289	(33,468)	(32,057)
Total investments in joint ventures and associates				**5,559**			
Total				**35,438**			

Investments in Group companies, joint ventures and associates at year-end 2008

					Equity at year-end 2008 (thousand euro)		
Company	**Registered office**	**Activity**	**Direct interest**	**Carrying amount**	**Capital**	**Reserves**	**Profit/(loss)**
Comercial Técnicas Reunidas, S.L.	MADRID	COMMERCIAL DEVELOPMENT	100.00%	-	3	-	-
Técnicas Reunidas Internacional, S.A.	MADRID	ENGINEERING SERVICES	100.00%	120	120	3,941	499
Termotécnica, S.A.	MADRID	EQUIPMENT WHOLESALING	99.98%	300	781	1,181	(439)
TR Construcción y Montaje S.A.	MADRID	PROPERTY DEVELOPMENT	100.00%	150	332	1,223	(65)
Técnicas Reunidas Ecología, S.A.	MADRID	ENGINEERING SERVICES	100.00%	120	120	2,084	(553)
Técnicas Reunidas Metalúrgicas, S.A.	MADRID	ENGINEERING SERVICES	100.00%	60	120	289	858
Técnicas Reunidas Trade Panamá, S.A.	PANAMA	COMMERCIAL DEVELOPMENT	100.00%	46	46	34	2
Española de Investigación y Desarrollo S.A.	MADRID	ENGINEERING SERVICES	100.00%	438	90	554	612
TR Proyectos Internacionales, S.A.	MADRID	DEVELOPMENT AND CONTRACTING	100.00%	421	1,503	496	461
Técnicas Reunidas Venezuela	CARACAS	COMMERCIAL DEVELOPMENT	100.00%	9	9	-	-
Layar, S.A.	MADRID	CORPORATE MANAGEMENT	100.00%	6,728	1,085	3,276	482
Initec Plantas Industriales, S.A.	MADRID	ENGINEERING SERVICES	100.00%	4,613	6,600	70,570	93,002
Initec Infraestructuras, S.A.	MADRID	ENGINEERING SERVICES	100.00%	1,322	1,800	4,297	909
Técnicas Reunidas Ecuador	QUITO	ENGINEERING SERVICES	100.00%	4	3	-	-
Técnicas Reunidas Gulf Ltd.	YEDAH	ENGINEERING SERVICES	75.00%	11,415	550	14,113	(2,836)
ReciclAguilar, S.A.	MADRID	ENGINEERING SERVICES	80.00%	126	60	(113)	(72)
Técnicas Reunidas Hellas	ATHENS	ENGINEERING SERVICES	100.00%	60	-	-	-
Técnicas Reunidas Netherlands	HAGUE	ENGINEERING SERVICES	100.00%	18	-	-	-
TR De Construcao	LISBON	ENGINEERING SERVICES	100.00%	5	-	-	-
Técnicas Reunidas Australia Pty Ltd	MELBOURNE	DORMANT	100.00%	-	-	-	-
Total investment in Group companies				**25,955**			
Heymo Ingeniería, S.A.	MADRID	ENGINEERING SERVICES	39.98%	517	903	4,522	3,020
Layar Castilla, S.A.	MADRID	PROPERTY DEVELOPMENT	25.39%	565	685	1,071	(42)
Empresarios Agrupados, A.I.E.	MADRID	BUSINESS SERVICES	42.48%	69	162	588	-
Empresarios Agrupados Internacional, S.A.	MADRID	BUSINESS SERVICES	42.48%	264	1,202	3,249	1,095
KJT Engehnaria Materiais	MADEIRA	ENGINEERING SERVICES	33.33%	-	5	444	4,640
Damietta Project Management Co.	LONDON	ENGINEERING SERVICES	33.33%	1	1	135	-
Damietta LNG Construction	DAMIETTA	ENGINEERING SERVICES	33.33%	1,415	33,517	(25,987)	(3,213)
Ibérica del Espacio	MADRID	ENGINEERING SERVICES	45.73%	1,055	2,240	830	(188)
Green Fuel Corporación	SANTANDER	PROJECT ANALYSIS	25.07%	3,487	121	14,353	(1,544)
TR Ensol s.a.	MADRID	ENG. SERVICES / PROJECT MGT	50.00%	52	104	22	334
Proyectos Ebramex, S. de R.L. de C.V.	MEXICO CITY	ENGINEERING SERVICES	33.33%	2,605	21,639	(2,525)	(17,400)
Minatrico, S. de R.L. de C.V.	MEXICO CITY	ENGINEERING SERVICES	33.33%	2,891	41,289	(4,199)	(35,433)
Total investments in joint ventures and associates				**12,921**			
Total				**38,876**			

In 2009 the Company recognised impairment losses amounting to €20,889k in connection with investments (2008: €20,036k). The impairment charge was recognised in "Impairment of and gains (losses) on disposal of financial instruments" in the accompanying income statement (Note 26). Accumulated impairment losses on investments at 31 December 2009 totalled €34,323k.

None of these companies is publicly traded.

9. Available-for-sale financial assets

The balance of available-for-sale financial assets relates mainly to minority investments in unlisted companies in which the Company does not have significant influence. Due to the fact that these are residual investments in companies that are not material to the Company and as valuation methods cannot be applied, these investments are measured at acquisition cost.

10. Financial assets at fair value through profit or loss

This heading includes the following items in the amounts set forth below:

		Thousand euro
	2009	**2008**
- Investments in short-term fixed income securities	67	9,749
- Investments in listed equity securities	15,320	3,679
	15,387	**13,428**

Changes in the fair value of financial assets at fair value through profit or loss are recognised in finance income/expense in the income statement (Note 26)

Financial assets at fair value through profit and loss represent investments in listed equities and short term fixed income securities. The fair value of these securities at 31 December 2009 was determined based on year-end closing prices. Returns on fixed income securities are tied to trends in eurozone interest rates.

11. Trade and other receivables

		Thousand euro
	2009	**2008**
Trade receivables	543,758	817,895
Trade receivables from Group companies and associates	69,372	89,408
Sundry receivables	22,340	45,460
Loans to employees	558	853
Current income tax assets	585	2,176
Other credits with public administrations	13,681	12,785
	650,294	**968,577**

The carrying amounts of trade and other receivables do not differ materially from their fair values.

At year-end 2009 trade receivables includes €367,687k (2008: €553,720k) relating to completed work pending certification, measured on the basis of the accounting criteria set forth in Note 3.13.

The Company did not recognise any impairment losses on trade receivables during the year ended 31 December 2009. At year-end 2009 the accumulated impairment loss stood at €906k (2008: €923k). The movements in the provision for impairment of the carrying amount of trade receivables were as follows:

	2009	2008
Opening balance	**923**	**1,554**
Additions	-	-
Reversals	(17)	(631)
Closing balance	**906**	**923**

The balance of trade receivables past due but not impaired at 31 December 2009 was €65,898k (2008: €91,193k), and primarily correspond to amounts past due by less than 6 months.

No other balances included "Trade and other receivables" are deemed impaired.

The carrying amounts of trade receivables, excluding the portion pertaining to work executed pending certification, are denominated in the following currencies:

	2009	2008
Euro	159,376	225,635
USD	6,851	37,388
Other currencies	9,844	1,152
Subtotal	176,071	264,175
Completed work pending certification	367,687	553,720
Total	**543,758**	**817,895**

12. Derivative financial instruments

The derivative balances at year-end 2009 and 2008 are as follows:

	2009		2008	
	Assets	Liabilities	Assets	Liabilities
Foreign exchange forwards – cash flow hedges	9,383	7,649	9,179	27,682
Foreign exchange forwards – held for trading	-	-	-	248
Total	**9,383**	**7,649**	**9,179**	**27,930**
Less non-current portion:				
Foreign exchange forwards – cash flow hedges	121	194	5,834	13,648
Current	**9,262**	**7,455**	**3,345**	**14,282**

Set out below is a maturity schedule in notional terms for the contracts in force at 31 December 2009 and 2008:

	Thousand euro				
	Fair value		Notional maturities		
Instrument type	**Balances at 2009**	**Balances at 2008**	**2010**	**2011**	**Notional total**
Balances in assets and notional amounts	**9,383**	**9,179**	**110,678**	**1,041**	**111,719**
USD / euro	4,768	461	59,225	1,041	**60,267**
JPY / USD	4,615	8,172	51,452	-	**51,452**
Kuwaiti dinar / euro	-	546	-	-	-
Balances in liabilities and notional amounts	**7,649**	**27,930**	**125,187**	**8,608**	**133,794**
USD / euro	4,059	12,199	88,272	8,608	**96,879**
RUB / USD	3,406	15,731	27,035	-	**27,035**
AUD / USD	143	-	9,024	-	**9,024**
JPY / USD	41	-	857	-	**857**
Net balance	**1,734**	**(18,751)**			

Set out below is a maturity schedule in fair value terms for the contracts in force at 31 December 2009 and 2008:

	2008	2009	2010	2011	Total fair value
Total assets, 2009	-	9,262	121	-	**9,383**
Total liabilities, 2009	-	7,455	195	-	**7,650**
Total assets, 2008	3,345	5,834	-	-	**9,179**
Total liabilities, 2008	14,282	13,648	-	-	**27,930**

Derivatives held for trading are classified as current assets or liabilities, as appropriate. The total fair value of a hedging derivative is classified as a non-current asset or liability if the term remaining to maturity of the hedged item is more than 12 months and as a current asset or liability if the term remaining to maturity of the hedged item is less than 12 months.

The highly probable forecast transactions denominated in foreign currency that have been hedged are expected to materialise.

The after-tax gains/losses accumulated in equity in connection with foreign currency forward contracts at 31 December 2009 amounted to a loss of €6,549k (2008: a loss of €9,123k). These gains and losses are recognised in the income statement in the year or years in which the hedged transaction affects profit or loss. This normally occurs within twelve months of the balance sheet date.

No portion of the foreign currency hedges was deemed ineffective in 2009 (2008: €368k was recognised in the income statement in connection with the ineffective portion of hedges).

13. Inventories

This heading includes the following items in the amounts set forth below:

	2009	2008
Construction projects in progress	5,805	5,794
Bid presentation costs	5,553	3,642
Materials	71	70
Prepayments to suppliers	16,535	2,783
	27,964	**12,289**

Construction projects in progress capitalise the cost of developing a number of assets (mainly car parks), as described in Note 5, in respect of the portions held for sale. Given their characteristics, a significant portion of these assets require over 12 months to ready for sale.

14. Cash and cash equivalents

	Thousand euro 2009	2008
Cash	95,191	86,240
Other cash equivalents	269,020	201,815
	364,211	**288,055**

This heading includes cash (cash in hand and demand bank deposits) and cash equivalents (short-term highly-liquid investments readily convertible into specific amounts of cash within a maximum of three months, the value of which is not subject to significant risks).

In 2009 the effective average interest rate earned on short-term deposits at banks was 0.62% on euro deposits (2008: 3.85%) and 0.22% on US dollar deposits (2008: 2%) and the average deposit term was 10 days.

Of total cash and cash equivalents at 31 December 2009, €344,042k (2008: €257,100k) relates to balances recorded by the joint ventures and UTEs in which the Company has shareholdings, as indicated in Exhibit I.

There were no cash or cash equivalents with restricted availability at 31 December 2009.

For the purposes of the statement of cash flows, the cash balance includes cash and other cash equivalents.

15. Capital and share premium

a) Capital

	Capital	Share premium	Treasury shares	Total
Balance at 1 January 2008	**5,590**	**8,691**	**-**	**14,281**
Purchase of treasury shares	-	-	(55,644)	(55,644)
Balance at 31 December 2008	**5,590**	**8,691**	**(55,644)**	**(41,363)**
Other movements	-	-	(613)	(613)
Balance at 31 December 2009	**5,590**	**8,691**	**(56,257)**	**(41,976)**

At 31 December 2009 and 2008 the total number of authorised ordinary shares was 55,896,000, each having a par value of €0.10. All issued shares are fully paid up and carry equal voting and dividend rights. There are no restrictions on the transfer of shares.

The movement in treasury shares in 2009 and 2008 is set forth below:

	2009		2008	
	Number of treasury shares	Amount	Number of treasury shares	Amount
Opening balance	1,581,135	55,644	-	-
Additions / purchases	-	-	1,581,135	55,644
Decreases / sales	-	-	-	-
Other movements	-	613	-	-
Closing balance	1,581,135	56,257	1,581,135	55,644

At 31 December 2009 treasury shares represented 2.83% of the Company's share capital. Treasury shares totalled 1,581,135, acquired at an average price of €35.20 per share. In addition to the significant purchasing activity in 2008, the movement in 2009 reflects an accounting adjustment.

The shareholder structure of Tecnicas Reunidas, S.A. is as follows:

	2009		2008	
Shareholder	**No. of shares**	**% shareholding**	**No. of shares**	**% shareholding**
Aragonesas Promoción de Obras y Construcciones, S.L.	2,848,383	5.096%	2,848,383	5.10%
Araltec, S.L.	17,882,564	31.99%	21,795,284	38.99%
Banco Industrial de Bilbao	163,978	0.29%	2,969,242	5.31%
Banco Bilbao Vizcaya Argentaria, S.A.	95,037	0.17%	0	0.00%
Bilbao Vizcaya Holding	1,453,385	2.60%	1,656,885	2.96%
BBVA Elcano Empresarial, SCR, S.A.	1,397,401	2.50%	2,124,048	3.80%
BBVA Elcano Empresarial II, SCR, S.A.	1,397,401	2.50%	2,124,048	3.80%
Other shareholders (including free float in 2008)	29,076,716	52.02%	20,796,975	37.21%
Treasury shares	1,581,135	2.83%	1,581,135	2.83%
TOTAL	**55,896,000**	**100.00%**	**55,896,000**	**100.00%**

According to a notice filed with the Spanish securities market regulator in November 2009, Mr. José Lladó Fernández-Urrutia holds a direct and indirect shareholding, through ARALTEC S.L. and ARAGONESAS PROMOCIÓN DE OBRAS Y CONSTRUCCIONES S.L., in TÉCNICAS REUNIDAS, S.A. of 37.19%. In addition, under the terms of a shareholder agreement signed by Aragonesas Promoción de Obras y Construcción, S.L., BBVA Elcano Empresarial I, SCR, and BBVA Elcano Empresarial II, SCR, S.A. on 23 May 2006, and subsequently amended on 24 April 2009, specifically the voting syndication clause, Mr. José Lladó Fernández-Urrutia controls 44.69% of the voting rights in TÉCNICAS REUNIDAS, S.A.

b) Share premium

This reserve is freely distributable.

16. Reserves

a) Reserves

	Thousand euro	
	2009	**2008**
Legal and statutory reserves:		
- Legal reserve	1,137	1,137
- Statutory reserve	93,935	66,466
	95,072	**67,603**

Legal reserve

The legal reserve, which is fully paid in, may not be distributed to shareholders and may only be used to offset losses should sufficient other reserves not be available. It may also be used to increase share capital under certain circumstances.

Statutory reserve

This reserve is freely distributable.

17. Profit for the year

a) Proposed distribution of profit

The proposed distribution of 2009 profit to be put before the shareholders in general meeting and the ratified distribution of 2008 profit is set forth below:

	Thousand euro	
	2009	**2008**
Available for distribution		
Profit for the year	92,780	97,070
	92,780	**97,070**
Distribution		
Retained earnings	19,998	27,003
Dividends	72,782	70,067
	92,780	**97,070**

The breakdown of dividends is analysed below:

2009: The €72,782k dividend consists of the following:

- A €35,848k interim dividend approved by the Board of Directors on 15 December 2009 and paid in January 2010.
- A proposed dividend of €36,934k to be approved at the AGM called to ratify the 2009 annual accounts.

2008: The €70,067k dividend consists of the following:

- A €34,762k interim dividend approved by the Board of Directors on 15 December 2008 and paid on 21 January 2009.
- A final dividend of €35,305k approved at the AGM called to ratify the 2008 annual accounts.

In compliance with article 216 of the Spanish Companies Act, set forth below are the forecast accounting and cash statements as of the date of payment of the interim dividends:

	Thousand euro	
Forecast accounting statement	**2009**	**2008**
Estimated profit for the year	88,300	85,486
Estimated income tax	(1,500)	(6,500)
Maximum possible payout	86,800	91,986
Proposed payout	35,848	35,000
Surplus	**50,952**	**56,986**
Group cash balance prior to payout	712,000	243,075
Interim dividend	(35,848)	(35,000)
Group cash surplus	**676,152**	**208,075**

18. Grants, donations and bequests received

The breakdown of non-repayable grants recognised under "Grants, donations and bequests received" is as follows:

Grantor	**Thousand euro**	**Use**	**Grant date**
Huercal Overa town council	2,261	Huercal Overa concession	28/06/2006
	2,261		

The changes in this heading during the year were as follows:

	Thousand euro	
	2009	**2008**
Opening balance	680	867
Increases	1,581	188
Release to income	-	-
Other decreases	-	-
Closing balance	2,261	680

19. Provisions

	Thousand euro	
	2009	**2008**
Long-term employee benefit obligations (Note 20)	5,354	4,754
Other provisions	19,582	19,282
Non-current	**24,936**	**24,036**
Other provisions	3,289	8,218
Current	**3,289**	**8,218**

In 2009 the Company recognised provisions amounting to €5,155k (2008: €8,233k). The charge was recognised in "Losses on, impairment of and change in trade provisions" in the accompanying income statement (Note 25.d).

a) Other non-current provisions

This balance breaks down as follows:

	Thousand euro	
	2009	**2008**
Provision for project completion	11,611	13,898
Provision for estimated project losses	2,470	1,610
Other provisions	5,501	3,774
Non-current	**19,582**	**19,282**

Provision for project completion:

For projects that are completed or substantially completed and, therefore, are in the warranty period or are close to entering the warranty period, the Company estimates probable costs that will be incurred during the warranty period and records the relevant provision.

Provision for estimated project losses:

The Company recognises provisions for estimated future losses on projects currently in progress.

Other:

This item relates to provisions for other liabilities and charges, including commitments to pay project partners, provisions for probable risks and provisions for other non-current payments.

As far as non-current provisions are concerned, due to the characteristics of the risk involved it is not possible to determine a reasonable payment timeline.

b) Other current provisions

This balance corresponds to provisions recognised in connection with current liabilities and charges.

20. Long-term employee benefit obligations

The breakdown of the amounts recognised under non-current employee benefit obligations assumed by the Company vis-à-vis its employees is as follows:

	Thousand euro	
	2009	**2008**
Balance sheet commitments:		
Pension and retirement benefits	5,354	4,754
	5,354	**4,754**
Income statement charges:		
Pension and retirement benefits	900	749
	900	**749**

Pension and retirement benefits

Pension and retirement obligations refer to commitments set out in the collective bargaining agreements relating to retirement awards for employees that have worked for the number of years stipulated in the agreement at the date of retirement.

At 31 December 2009 and 2008 there are no assets linked to the defined benefit commitments with employees.

The amounts recognised in the balance sheet have been calculated as follows:

	2009	**2008**
Present value of obligations at 1 January	4,754	4,214
Cost of services for the current year	624	496
Interest cost	275	253
Benefits paid and expenses	(283)	(221)
Actuarial gains / (losses) recognised in equity	(16)	12
Balance sheet liability	**5,354**	**4,754**

The changes in the liability recognised in the balance sheet are as follows:

	2009	**2008**
Opening balance	4,754	4,214
Income statement charge	867	749
Actuarial gains / (losses) charged to equity	16	12
Contributions paid	(283)	(221)
Closing balance	**5,354**	**4,754**

The amounts recognised in the income statement are as follows:

	2009	**2008**
Cost of services for the current year (Note 25.c)	624	496
Finance cost of discounting provision to present value (Note 26)	276	253
Total income statement charge	**900**	**749**

The principal actuarial assumptions used are as follows:

	2009	2008
Annual discount rate	5.80%	5.25%
Annual salary growth	3.50%	3.50%
Annual inflation	2.00%	2.00%
Mortality table	PERM/F 2000 Production	PERM/F 2000 Production
Retirement age	65 years	65 years

21. Long-term and short-term payables

	Thousand euro	
	2009	**2008**
Bank borrowings	19,210	16,062
Finance leases	846	932
Derivatives (Note 12)	194	13,648
Non-current borrowings	**20,250**	**30,642**
Bank borrowings	450	12,451
Derivatives (Note 12)	7,455	14,282
Other financial liabilities	35,905	34,818
Current borrowings	**43,810**	**61,551**

a) Bank borrowings

The carrying amount of borrowings (both current and non-current) approximates their fair value. The loans are referenced principally to Euribor and Libor, with periodic reset features of up to six months.

Set out below is a maturity schedule for the contracts in force at 31 December 2009 and 2008:

	2009	2010	2011	2012	Total
2009	-	450	1,756	17,454	**19,660**
2008	15,295	660	993	11,565	**28,513**

The carrying amounts of bank borrowings are denominated in the following currencies:

	Thousand euro	
	2009	**2008**
Euro	19,660	20,152
US dollars and other currencies	-	8,361
	19,660	**28,513**

The average effective interest rates (all floating) at the balance sheet dates are as follows:

	2009		2008	
	Euro	**USD**	**Euro**	**USD**
Bank borrowings	1.42%	1.02%	4.5%	3.5%

The carrying amount of borrowings (both current and non-current) approximates their fair value. The loans are referenced principally to floating interest rates, principally Euribor and Libor, with monthly reset features.

The Company has the following undrawn credit lines:

Floating rate:	Thousand euro	
	2009	**2008**
– Maturing in less than one year	50,000	3,440
– Maturing in more than one year	22,973	26,493
	72,973	**29,933**

b) Other current financial liabilities

This heading primarily reflects the €35,848k dividend payable at year-end (2008: €34,762k). See Note 17.

22. Payables to Group companies and associates

	Thousand euro	
	2009	**2008**
Group companies	20,899	22,027
Associates	26,699	38,583
	47,598	**60,610**

The breakdown of the items comprising this heading is as follows:

	Thousand euro	
	2009	**2008**
Engineering services payable	9,222	9,650
Current loans	11,081	11,680
Other	596	697
Group companies	**20,899**	**22,027**
Engineering services payable	15,255	16,023
Consolidation of UTEs	11,444	22,560
Associates	**26,699**	**38,583**

In 2009, the balances payable to Group companies carried interest at an average rate of Euribor + 0.80bp (2008: 5.13%).

23. Trade and other payables

	Thousand euro	
	2009	**2008**
Trade payables	636,972	813,789
Trade payables, Group companies and associates	74,330	37,703
Sundry payables	7,286	22,548
Accrued wages and salaries	6	13
Other debts with public administrations	24,076	20,096
Customer prepayments	284,000	317,664
	1,026,670	**1,211,813**

Discounting has no significant effect on the fair values of trade and other payables. The nominal values of these payables are considered to approximate their fair values.
The carrying amounts of trade payables are denominated in the following currencies:

	Thousand euro	
	2009	**2008**
USD	47,231	31,543
Other currencies	2,198	7,686
	49,429	**39,229**

24. Income tax and tax situation

On 30 September 1993, the Spanish tax authorities authorised the following companies to apply the tax consolidation regime: Técnicas Reunidas, S.A., Técnicas Reunidas Internacional, S.A., Termotécnica, S.A., Técnicas Reunidas Construcciones y Montajes, S.A. and Técnicas Reunidas Ecología, S.A. Subsequently, in 1994, Técnicas Siderúrgicas, S.A., Española de Investigación y Desarrollo, S.A. and Técnicas Reunidas Proyectos Internacionales, S.A. were included in the tax consolidation regime. The tax group was enlarged in 1998 to include Técnicas Reunidas Metalúrgicas, S.A. and, in 1999, Layar, S.A., Layar Castilla, S.A. and Layar Real Reserva, S.A. Eurocontrol, S.A. and ReciclAguilar, S.A. were included in 2003 and Initec Plantas Industriales, S.A. and Initec Infraestructuras, S.A. in 2005. In 2007, Layar Castilla, S.A. left the tax group.

The reconciliation of profit for the year to taxable income in 2009 and 2008 is set forth below:

						Thousand euro
						2009
	Income statement			Income and expense recognised directly in equity		
Recognised income and expense for the year		92,780	**92,780**			**4,003**
	Increases	**Decreases**		**Increases**	**Decreases**	
Income tax	(2,082)	-	**(2,082)**	-	-	**-**
Permanent differences	7,020	(104,316)	**(97,296)**	2,013		**2,013**
Temporary differences:	20,903	(4,700)	**16,203**	-	-	**-**
Application of loss carryforwards						
Taxable income (tax loss)			**9,605**			

The breakdown of income tax expense is as follows:

	Thousand euro	
	2009	**2008**
Current tax	(140)	8,722
Deferred tax	(1,942)	644
	(2,082)	9,366

Deferred taxes generated by transactions that have been directly charged or credited to equity in 2009 amounted to a charge of €2,013k (2008: credit of €2,761k).
The additions attributable to permanent differences correspond to the following items:

	Thousand euro	
	2009	**2008**
Non deductible expenses	498	430
Provisions recognised	6,522	-
	7,020	**430**

The decreases attributable to permanent differences correspond to the following items:

	Thousand euro	
	2009	**2008**
Profits generated abroad (Law 18/82)	71,347	80,963
Double taxation deduction	32,969	44,024
	104,316	124,987

In 2008 the tax authorities began an audit of the consolidated tax group whose parent is Técnicas Reunidas, S.A. in respect of income tax (2004 - 2007) and other taxes (2004 to 2007). The following Group companies are being inspected: Técnicas Reunidas, S.A., Initec Plantas Industriales, Initec Infraestructuras, S.A. and Técnicas Reunidas Internacional, S.A.

In 2009 the authorities began verification on the following UTEs in which the Group has shareholdings: UTE Saih Rawl; Técnicas Reunidas Internacional, S.A. Asturias Petroleum SA ODEB; UTE Hawiyah; UTE Ju`aymah; UTE KJT Proyecto LNG; Técnicas Reunidas Internacional, S.A. Asturias Petroleum SA ODEB; UTE Rabigh and UTE Aconcagua.

As a result, among other things, of the different interpretations to which Spanish tax legislation lends itself, additional tax assessments may be raised in the event of a tax inspection. The directors consider, however, that additional assessments, if any, would not significantly affect these accounts.

Deferred tax

	Thousand euro	
	2009	**2008**
Deferred tax assets		
- to be utilised in more than 12 months time	18,026	18,097
- to be utilised in under 12 months	-	-
	18,026	**18,097**
Deferred tax liabilities		
- to be settled in more than 12 months time	164	164
- to be settled in under 12 months	-	-
	164	**164**

The changes in deferred tax assets and liabilities are as follows:

	2009		2008	
	Assets	**Liabilities**	**Assets**	**Liabilities**
At 1 January	**18,097**	**164**	**13,013**	**635**
Reversals / utilisation	(6,431)	-	(1,489)	(635)
Recognitions	6,360	-	6,573	164
At 31 December	**18,026**	**164**	**18,097**	**164**

The deferred taxes relate to the following items:

Deferred tax assets	Thousand euro	
	2009	**2008**
Unused tax losses carried forward	3,414	3,414
Unused tax credits carried forward	-	3,182
Tax credits arising from temporary differences:		
- Hedging reserve	912	2,925
- Provisions for liabilities and charges	13,700	8,576
	18,026	**18,097**

Deferred tax liabilities	Thousand euro	
	2009	**2008**
Hedging reserve	164	164
	164	**164**

Deferred tax assets in respect of unused tax losses carried forward are recognised to the extent that it is probable that future taxable profit will be available against which the losses can be utilised. At 31 December 2009, the Company had recognised deferred tax assets in the amount of €3,414k (2008: €3,414k) in connection with unused tax losses amounting to €11,381k (2008: €11,381k).

The breakdown of unused tax losses by the year originated is as follows:

Year	Tax loss	Amount	Usable until
2007	341	102	2022
2008	11,040	3,312	2023
	11,381	**3,414**	

At 31 December 2009, the Company had unused tax credits amounting to €3,367k (2008: €7,956k). These credits mainly derive from reinvestment, research and development and export credits. At 31 December 2009 the tax group had not recognised any deferred tax assets in connection with unused tax credits carried forward. At 31 December 2008 the Company had recognised €3,182k as a deferred tax asset in connection with the aforementioned unused tax credits; the Company had not recognised the remainder as it could not be certain that future taxable profit would be available against which the unused tax credits can be utilised.

25. Income and expense

a) Revenue

The geographic breakdown of the Company’s revenues in 2009 and 2008 is set forth below:

Market	**Thousand euro**	
	2009	**2008**
Spain	401,972	519,543
European Union	420,187	127,882
OECD (excl. Spain and EU)	6,631	12,152
Other	684,140	790,505
	1,512,930	**1,450,082**

The revenue split by operating segment was as follows:

Business	**Thousand euro**	
	2009	**2008**
Oil & Gas	1,069,822	1,042,467
Power	328,265	342,655
Other	114,842	64,960
Total	**1,512,930**	**1,450,082**

b) Foreign currency transactions

The balances corresponding to transactions denominated in foreign currency are the following:

	Thousand euro	
	2009	2008
Sales	44,088	57,459
Purchases	49,649	17,195
Services received	16,924	43,648

c) Staff costs

	Thousand euro	
	2009	2008
Wages and salaries	145,222	114,984
Termination benefits	1,112	430
Staff welfare expenses	29,714	24,748
Charge for employee benefit obligations (Note 20)	624	496
	176,672	**140,658**

The average annual headcount by professional category was as follows:

	2009	2008
Category:		
Engineers and graduates	1,496	1,289
Technical engineers, experts and graduate assistants	381	333
Administrative managers	109	59
Unqualified assistants	381	362
Other	349	330
TOTAL	**2,716**	**2,373**

The breakdown of the Company's year-end headcount by gender is as follows:

	2009		2008	
	Men	Women	Men	Women
Category:				
Engineers and graduates	1,057	432	997	415
Technical engineers, experts and graduate assistants	313	73	293	75
Administrative managers	57	25	45	20
Unqualified assistants	269	145	259	146
Other	216	170	198	167
TOTAL	**1,912**	**845**	**1,792**	**823**

d) Other operating expenses

The breakdown of this income statement heading in 2009 was as follows:

	Thousand euro	
	2009	**2008**
Services	261,303	168,392
Rent and fees	39,861	35,449
Independent professional services	20,820	21,799
Transportation	10,349	113
Repairs and maintenance	4,249	5,017
Insurance premiums	1,250	2,748
Banking and similar services	3,739	3,568
Other	20,923	29,388
External services	**362,494**	**266,474**
Taxes other than income tax	4,316	3,221
Losses on, impairment of and change in trade provisions (Note 19)	5,155	8,233
	371,965	**277,928**

26. Finance income and expense

	Thousand euro	
	2009	**2008**
Finance income:		
From equity investments:		
Group companies and associates (Note 8)	34,854	44,598
Third parties	132	1,041
From marketable securities and other financial instruments:		
Group companies and associates	935	238
Third parties	2,336	8,076
	38,257	**53,953**
Finance expense:		
Payable to Group companies and associates	(1,062)	(2,290)
Third-party borrowings	(711)	(93)
Discounting of provisions (Note 20)	(276)	(253)
	(2,049)	**(2,636)**
Change in fair value of financial instruments:		
Trading portfolio and other securities	1,830	(2,850)
	1,830	**(2,850)**
Net exchange differences	**3,263**	**(38)**
Impairment of and gains (losses) on disposal of financial instruments:		
Impairment charges and losses (Note 8)	(20,889)	(20,036)
Gains on disposals and other gains	-	2,341
	(20,889)	**(17,695)**
Finance income/costs - net	**20,412**	**30,734**

27. Contingencies

a) Contingent liabilities

The Company has contingent liabilities relating to bank and other guarantees granted during the ordinary course of its business. The contingent liabilities are not expected to give rise to additional material liabilities other than those already provisioned, as disclosed in Note 19. In the ordinary course of the Company's activities, as is common practice with engineering and construction companies, the Company extended guarantees to third parties totalling €1,086,609k (2008: €713,247k) in order to duly guarantee contract delivery.

In accordance with the general terms of contracting, the Company is required to provide technical guarantees for the execution of works, in cash or in the form of bank guarantees, which must be upheld for a specified period.

b) Commitments

Fixed asset purchase commitments

There are no significant asset purchase commitments at the balance sheet date.

Operating lease commitments

The Company rents several premises under irrevocable operating lease agreements (Note 6). These leases have variable terms, segment clauses and renewal rights. The Company is required to provide six months' termination notice on these agreements.

Minimum future payments on irrevocable operating leases are as follows:

	2009	2008
Less than 1 year	11,952	11,370
Between 1 and 5 years	23,369	37,238
Over 5 years	267	369

Purchase commitments (suppliers and subcontractors)

The Company has payment commitments to its suppliers in addition to those recognised in trade payables as a result of orders that are still in the drafting or construction phase and cannot be invoiced until the scheduled payment milestones are reached. This is offset by the fact that the Company invoices its customers in turn in accordance with similar milestones to those in place with its suppliers.

28. Temporary joint ventures (UTEs) and consortiums

The Company has interests in the UTEs listed in Exhibit I. The amounts set out below represent its percentage interest in the assets, liabilities, revenues and profits of these UTEs. The following amounts are recognised in the balance sheet and income statement:

Assets:	**2009**	**2008**
Non-current assets	39,929	29,055
Current assets	704,278	656,416
	744,207	**685,471**
Liabilities:		
Non-current liabilities	19,210	22,649
Current liabilities	626,133	452,229
	645,343	**474,878**
Assets net of liabilities	**98,864**	**210,593**
Income	921,496	822,380
Expense	824,790	730,252
Profit after taxes	**96,706**	**92,128**

There are no contingent liabilities in relation to the Company's shareholdings in the UTEs, nor contingent liabilities in the UTEs and consortiums themselves.

29. Director and senior management remuneration

<u>a) Director remuneration</u>

There follows information on total compensation paid to members of the Company's Board of Directors during the year ended 31 December 2009:

- Board meeting attendance fees received by all board members: €881k (2008: €872k).
- Wages and salaries: €636k (2008: €634k).
- Advances: none in 2009 (2008: €165k).
- Life insurance premiums: €7k (2008: €6k).

<u>b) Senior management remuneration</u>

Total compensation paid in 2009 to senior management was €3,917k (2008: €4,046k).

c) Information required under article 127 ter of the Spanish Companies Act

The directors of the Company have no disclosures to make with respect to the content of Article 127 ter of the Spanish Companies Act, except for the following:

- Mr José Lladó Fernández-Urrutia is the Chairman of Técnicas Reunidas Internacional, S.A.
- Mr Juan Lladó Arburúa is a Director or Administrator of Initec Plantas Industriales, S.A., Initec Infraestructuras, S.A., Técnicas Reunidas Internacional, S.A., Técnicas Reunidas Proyectos Internacionales, S.A., Española de Investigación y Desarrollo, S.A., Eurocontrol, S.A. and Empresarios Agrupados Internacional, S.A.; he is also a member of the business organisation Comité de Empresarios Agrupados A.I.E. All of the above-mentioned companies form part of the Tecnicas Reunidas Group.
- Mr Javier Gómez Navarro is a non-executive Director of Grupo Isolux Corsán, S.A.

30. Other related-party transactions

As indicated in Note 1, the Company is the parent company of a Group of companies. Related party transactions are as follows:

a) Transactions with the Company's core shareholders

a.1) Transactions with Grupo Banco Bilbao Vizcaya Argentaria (the BBVA Group):

All transactions between the Company and the BBVA Group relate to banking activities and are carried out on an arm’s length basis.

Set out below are details of these transactions at 31 December 2009 and 2008:

	Thousand euro	
	2009	**2008**
Credit facilities	30,000	33,073
Drawn balances	-	1,970
Guarantees furnished	265,021	379,245
Letter of credit facilities	-	10,000

In addition, the Company has numerous bank accounts that are necessary to carry out its ordinary business and manages a portion of its cash balances by contracting financial assets through the BBVA Group.

The Company also arranged forward foreign currency sale contracts with the BBVA Group, with notional values totalling USD20,150k and JPY7,484,123k (2008: USD61,401k).

The accompanying income statements include the costs and revenues related to the above-mentioned transactions, which were carried out on an arm’s length basis.

a.2) Transactions with other shareholders (excluding free float):

In 2009 the Company did not conclude any transactions with other shareholders.

b) Transactions with Company directors and officers

Set out below is an analysis of transactions undertaken with companies in which the Company's directors are also directors or administrators:

	2009				2008			
	Trade receivables	Trade and other payables	Purchases	Sales	Trade receivables	Trade payables	Purchases	Sales
Grupo Cepsa	1,956	-	-	1,369	3,325	-	-	3,325
Tubos Reunidos	-	-	-	-	-	23	745	-
Schneider	-	83	1,823	-	-	43	149	-

These transactions form part of the Company's ordinary course of business and relate to project execution.

Set out below is the breakdown of transactions undertaken with the SCH Group where one of the Company's directors also sits on the board:

	Thousand euro	
	2009	**2008**
Credit facilities	10,000	10,000
Guarantees furnished	308,654	267,377

The Company also arranged forward foreign currency sale contracts with the SCH Group, with notional amounts totalling USD51,948k and AUD13,000k (2008: USD34,446k).

In addition, the Company has numerous bank accounts that are necessary to carry out its ordinary business and manages a portion of its cash balances by contracting financial assets through the SCH Group.

All transactions between the Company and the SCH Group correspond to banking activities and are carried out on an arm's length basis.

Note 29 provides details of the compensation paid to the directors of Técnicas Reunidas, S.A. and its senior officers.

c) Transactions with Group companies, joint ventures and associates

The table below details aggregate transactions with the Group companies, joint ventures and associates listed in Note 8:

	Group companies	**Joint ventures and associates**
Services received	180,081	1,858
Finance expense	9	-
Total expenses	**180,090**	**1,858**
Services rendered	7,241	24
Finance income	132	-
Dividends received (Note 26)	34,854	-
Total income	**42,227**	**24**

The services received and rendered pertain to the Company's ordinary course of business and were conducted on an arm's length basis.

31. Environmental information

Given the activities in which the Group companies are involved, it has no environmental liabilities, expenses, assets, provisions or contingencies that could be significant in relation to its equity, financial situation and results. Therefore, no specific disclosures relating to environmental issues are included in these notes to the annual accounts.

32. Events after the balance sheet date

Between the balance sheet close and the date the accompanying financial statements were authorised for issue no significant events have occurred that have not been recognised in these financial statements.

33. Audit fees

The fees accrued in 2009 to PricewaterhouseCoopers Auditores, S.L. for the audit of the Company's accounts and other verification services amounted to €176k (2008: €176k) and for other services, €85k (2008: €53k). In addition, fees accrued in 2009 to other companies that use the PricewaterhouseCoopers trademark for other services rendered to the Company totalled €172k (2008: €48k).

EXHIBIT I – TEMPORARY JOINT VENTURES (UTEs) AND CONSORTIUMS IN WHICH THE COMPANY HAS SHAREHOLDINGS

The temporary joint ventures (UTEs) and consortiums included in these annual accounts are the following:

		Thousand euro	
Name	**% shareholding**	**Impact on revenue**	**Impact on profit/loss**
INT VIETNAM	20%	5,386	119
TR FRANCIA BRANCH	100%	71,623	(4,640)
TR KHABAROVSK BRANCH	100%	8,968	6,410
TR MOSCU BRANCH	100%	4	(185)
UTE ALQUILACION CHILE	15%	4,057	613
UTE HDT/HDK FASE II	15%	1,771	396
UTE HYDROCRACKER HUNGARY	15%	120	52
UTE INITEC/TR JU'AYMAH GPE	15%	(223)	(541)
UTE INITEC/TR MEJILLONES	15%	2,718	4,337
UTE INITEC/TR RKF ARGELIA	15%	68	(434)
UTE INITEC/TR PLANTAS HDT Y HCK	15%	7	7
UTE INITEC/TR SAIH RAWL	15%	2,431	1,586
UTE INITEC/TR TFT ARGELIA	15%	771	(1,014)
UTE MEIRAMA	14%	1	1
UTE TR POWER	85%	44,141	1,486
UTE TR/ALTAMARCA COMPLEJO LA VIÑA	80%	15,906	(0)
UTE TR/ALTAMARCA PISCINA CUBIERTA	80%	345	0
UTE TR/ALTAMARCA/HMF C.ALCOBENDAS	34%	478	(0)
UTE TR/ANETO RED NORTE OESTE	50%	(0)	(4)
UTE TR/ARDANUY ALGECIRAS	70%	18	0
UTE TR/ASFALTOSY CONS.APARCAM.ALCOBENDAS	50%	186	47
UTE TR/CTCI GUANDONG EO/EG	90%	(154)	0
UTE TR/CTCI JIANGSU SERVICIOS	90%	0	0
UTE TR/CTCI JIANGSU SUMINISTROS	90%	24	0
UTE TR/ESPINDESA	25%	(144)	(612)
UTE TR/ESPINDESA - PEL SINES	85%	421	420
UTE TR/ESPINDESA - TR AKITA	85%	333	272
UTE TR/FERROVIAL LA PLANA DEL VENT	58%	25	1
UTE TR/GDF AS PONTES	50%	218	(0)
UTE TR/GDF BARRANCO DE TIRAJANA	50%	290	3
UTE TR/GDF CTCC BESOS	50%	39,140	2,735
UTE TR/GDF CTCC PUERTO DE BARCELONA	50%	58,567	7,696
UTE TR/GUEROLA CENTRAL TERMOSOLAR	50%	0	(0)
UTE TR/HEYMO/AEROPUESTOS DE PARIS	40%	94	0
UTE TR/I.P.I. TR JUBAIL	85%	46,060	3,659
UTE TR/I.P.I. ABUH DABIH -SAS	15%	14,623	2,404
UTE TR/I.P.I. C.P.BIO BIO	15%	2,894	855
UTE TR/I.P.I. FENOLES KAYAN	85%	49,000	5,072
UTE TR/I.P.I. OFFSITES ABUH DABIH	85%	351,130	28,419
UTE TR/INITEC DAMIETTA LNG	85%	37	37
UTE TR/INITEC EBRAMEX INGENIERIA	51%	(494)	(499)

UTE TR/INITEC INFRA CONS.COMP.LA VIÑA	85%	13,969	1,614
UTE TR/INITEC INFRA CONS.PC.HUERCAL OVERA	85%	2	108
UTE TR/INITEC INFRA CONSTRUCCI.PARCELA S	85%	618	382
UTE TR/INITEC JV HAWIYAH GPE	15%	(72)	(1,094)
UTE TR/INITEC KJT PR. LNG	85%	37	37
UTE TR/INITEC MINATRICO INGENIERIA	51%	(78)	(119)
UTE TR/INITEC P.I. JV TR RABIGH DP	85%	6,875	145
UTE TR/INITEC PROYECTO DGC CHILE	15%	91	101
UTE TR/INTERCONTROL VARIANTE PAJARES	80%	136	35
UTE TR/IONICS RAMBLA MORALES	40%	30	(157)
UTE TR/IONICS/TCOSA/CHSA DEP.OROPESA	25%	366	(126)
UTE TR/IPI ELEFSINAS	85%	33,871	17,722
UTE TR/IPI KHABAROVSK	15%	4,564	3,231
UTE TR/IPI REFINERIA SINES GALP	85%	35,186	30,258
UTE TR/KV CON.PL.Y URB.ZALIA	50%	(140)	(20)
UTE TR/LOGPLAN A.T.AENA	55%	(2)	(3)
UTE TR/PAI URBANIZACION CALAFELL	55%	256	111
UTE TR/PYCSA CUEVAS DEL CAMPO	50%	(1)	(1)
UTE TR/RTA VILLAMARTIN	50%	0	(0)
UTE TR/SEG PORTAS	50%	39	37
UTE TR/SEG PROY.NT AENA	70%	0	(0)
UTE TR/SERCOAL CENTRO DE DIA	50%	0	(0)
UTE TR/SERCOAL EDIFICIO SERVICIOS MULTIPLES	50%	0	(0)
UTE TR/SOLAER I.S.F. MORALZARZAL	90%	268	(120)
UTE TR/TECNORESIDUOS PT VALDEMINGOMEZ	90%	11	3
UTE TR/TREC OPER.DESALADORA R.MORALES	50%	(171)	(102)
UTE TR/TRIMTOR DEP.CAÑADA GALLEGO	50%	(93)	18
UTE TR/TRIMTOR EDAR LIBRILLA	50%	0	(0)
UTE TR/TT HORNOS RUSIA	95%	0	(0)
UTE VALORIZA TR SS2	50%	13,965	944
INT UE CAMB ANAV	50%	50	2
UTE PEIRAO XXI	50%	192	0
UTE TR/GEA COLECTOR PLUVIALES H.O.	80%	484	24
CONSORCIO ECUADOR	100%	196	196
UTE TR/MASTER (EXPO ZARAGOZA)	50%	0	(3)
UTE TR/MASTER (pending liquidation)	50%	0	(0)
UTE EP SINES	80%	170,598	(13,641)
UTE TR/GEA/SANHER EL CARAMBOLO.	40%	5	5

2009 INDIVIDUAL DIRECTORS' REPORT

**Free translation of the Individual Directors' Report originally issued in Spanish.
In the event of a discrepancy, the Spanish language version prevails.**

1. Evolution of the Business

2009 was a year of brand reinforcement and consolidation for the Group. At a time of uncertainty marked by a loss of trust in the markets due to the economic situation, Técnicas Reunidas managed to strengthen its ties with clients while moving forward with its selective strategy. Técnicas Reunidas focused its efforts on projects that offered good opportunities with both traditional clients and new ones in new and existing geographical markets. All of this has enabled the company to improve its position as a leading international contractor backed by solid brand recognition in the market.

At a time when many sectors and companies are being penalised, 2009 was a year of growth for Técnicas Reunidas in terms of the volume of new business. Some of our most important clients have demonstrated their confidence in us by entrusting us with projects of an even larger magnitude than before. In doing so, Técnicas Reunidas has managed to optimise relations with the clients who have become regular users of the Company's services (Saudi Aramco and Tüpras). Clients such as Galp and Samir have agreed to extend their service agreements with the Group in the form of turnkey projects. All of this means that the Group's revenues are well diversified and equilibrated.

The contracts awarded in 2009 were focused primarily in the petroleum area. The Energy and Infrastructures Divisions, more sensitive to economic cycles, were more affected by the economic crisis.

At Técnicas Reunidas, our staff is our most highly valued asset. As the volume of projects has increased significantly, so TR has continued to recruit new professionals to undertake those projects. At the end of 2009, Técnicas Reunidas had a total of 2,716 employees.

With regard to stock performance in 2009, the price of the Group's shares rose steadily beginning in the first quarter of the year. After just one year on the selective Spanish stock exchange and three on the continuous market, Técnicas Reunidas was the IBEX 35 company with the highest stock appreciation during the year, with an annual yield of 118%. Thanks to the company's financial and operating stability, Técnicas Reunidas has maintained its policy of remunerating shareholders by paying out 50% of its profits in the form of dividends. Even so, Técnicas Reunidas continued to create value for its shareholders, increasing the per share payout from €2.49 per share to €2.68 per share.

The evolution of each one of Técnicas Reunidas's business lines was as follows:

Oil and Gas.

One of the events which characterised the 2009 fiscal year for Técnicas Reunidas was the growth of the company's portfolio thanks to significant new investments by existing customers. Despite a year of economic recession and spending cuts by many companies, the commercial strategy of Técnicas Reunidas was successful once again. One of the key management strategies of Técnicas Reunidas consists of focusing selectively on the clients that offer the opportunity for growth, either through recurring investments or the chance to work in new countries. In 2009, clients with whom Técnicas Reunidas had been working for several years entrusted the company to develop projects of even greater magnitude and technical complexity than in the past, resulting in international recognition by some of the sector's most influential clients.

In 2009, Técnicas Reunidas reinforced its position in the Persian Gulf and Mediterranean, areas which offer greater potential for growth due to the adaptation and developmental needs of these countries.

The most relevant aspects of fiscal year 2009 were as follows:

- In the second quarter of the year, the company was awarded one of the largest and most critical packages of the new Al Jubail refinery in Saudi Arabia by SATORP (a consortium comprising Saudi Aramco and Total). The "turnkey" contract includes the engineering, procurement and construction of the distillation and hydrotreatment units: crude/vacuum, hydrotreatment of naphtha, high and low pressure hydrodesulphurizers and hydrogen generation and storage.

- At the beginning of the third quarter, SAMIR, Societé Anonyme Marocaine de l'Industrie du Raffinage, awarded Técnicas Reunidas a "turnkey" contract for its refinery in Mohammedia in Morocco. The project includes engineering, equipment procurement and construction of the crude distillation unit, a kerosene treatment unit and the modernisation of an "LPG Merox" unit. TR began work on this project in mid-2008 under a service agreement.

- At the end of the year, Técnicas Reunidas and Galp Energía signed an agreement to convert a contract for the Sines refinery in Portugal into a turnkey project. Técnicas Reunidas commenced work on this project in April 2007 under a reimbursable service agreement which provided for the possibility of conversion to a "turnkey" project. The project includes building new units and updating existing ones such as: a hydrocracker, an LPG splitter, a steam hydrogen reformer, a deisobutaniser, an acid water unit, a sulphur recovery unit, an atmospheric distillation unit along with their offsite and auxiliary service units.

Also during the last month of the year, TR was chosen for two important refinery projects which were later formalised in early 2010.

- Tüpras chose Técnicas Reunidas for the engineering and construction of a project to modernise the Izmit Refinery in Turkey. The contract was signed under an "open book" arrangement which provides for the possibility of the contract being converted into a "turnkey" arrangement at a later date. The project includes the following units: Hydrocracker, vacuum, coker, naphtha hydrogeneration, diesel desulphurisation, hydrogen, sulphur recovery, amine regeneration and an acid water separation unit. Técnicas Reunidas had worked for Tüpras for years and had participated in a previous phase of the Izmit Refinery. This project is relevant to the company not only because of the volume of the client's investment, the technological complexity of the project and the geographical diversification of the portfolio, but also because it reinforces the client's loyalty to Técnicas Reunidas.

- Several days later, Petroperú selected Técnicas Reunidas for the project to modernise the Talara Refinery in Peru. This project was also awarded under an "open book" arrangement with the possibility of being converted to a "turnkey" project in the future. The project includes, on the one hand, the enlargement and modification of the existing processing units such as the primary distillation unit, catalytic cracking complex and vacuum distillation unit and on the other hand the construction of new processing units such as the diesel hydrotreatment unit, the hydrotreatment of cracked naphtha, vacuum distillation, flexicoker, naphtha hydrotreatment, catalytic naphtha reformation, hydrogen plant, sulphuric acid recovery plant, amine plant and cogeneration plant, including the expansion and modification of auxiliary services. This project represents a great deal of added value for Técnicas Reunidas since the Talara flexicoker unit is only the seventh unit of its kind in the world and the second one developed by Técnicas Reunidas, making it one of two companies in the world that has designed this type of advanced technology unit. Técnicas Reunidas has thus reinforced its global position as a supplier of technological know-how in the most complex refinery projects.

Progress on the projects awarded in prior years was satisfactory. Some of the projects are close to their delivery date, including the Kayan phenol plant for Sabic in Saudi Arabia or the Borouge project for ADNOC in Abu Dhabi. The company concluded and delivered the Dung Quat refinery in Vietnam for Petrovietnam complying with the quality objectives.

Energy.

In 2009, the revenues from this business grew by 5%, thanks primarily to the Manifa energy generation project for Saudi Aramco in Saudi Arabia, the Montoire combined cycle plant for Gas de France in France, the Besos combined cycle plant for Endesa in Spain and the Port of Barcelona combined cycle plant for Gas Natural in a joint venture with General Electric. The company also concluded the work on the Saih Rawl project, with a generation capacity of 120 MW and the second phase of the Escatrón plant for Global 3.

In 2009, Técnicas Reunidas continued to actively develop its nuclear strategy.

The company also made progress domestically in its work on a biodiesel production plant in Extremadura for the Green Fuel Consortium in which Técnicas Reunidas is also a partner.

Infrastructures and Other Activities.

In 2009, thanks to different projects in multiple fields such as airports, industrial facilities, desalination plants, water treatment plants and work done for government agencies and other bodies, including car parks, theatres and sport facilities, this division continued to grow. Due to the fact that this line of business is closely related to the activities of the public administrations, no significant contract awards were announced in 2009 because of the effects of the economic crisis.

The revenues from Infrastructures and Other Activities in 2009 totalled €187,000,000. Some of the projects that contributed to this growth included: the Perth desalination plant for the Water Corporation of Western Australia and the engineering and construction of a chip production plant for the production of solar panels for Silicio Solar in Puertollano (Ciudad Real). Work continued to progress on the projects awarded the year before, including: the desalination plant for ACUAMED (Ministry of the Environment) in Oropesa, Castellón and the La Viña Shopping Centre in San Sebastián de los Reyes (Madrid).

2. Financial Indicators.

TR prepares its annual accounts according to the applicable business laws and the standards established in the General Accounting Plan approved in Royal Decree 1514/2007.

In 2009, the net sales of Técnicas Reunidas rose to 1,512 million euro, maintaining the upward trend of previous years.

The operating income was 70 million euro, which is 4.6% of the sales figure.

Profits after taxes amounted to 91 million euros and accounted for 6% of sales.

3. Research and Development.

The Group maintained its policy of investing in the Research, Development and Innovation which is so crucial to it business, developing technological aspects where niches of potential commercial interest can be detected.

4. Significant Events Subsequent to Year End.

At the beginning of this year, the Company signed two refinery contracts that had been awarded in December 2009: the Izmit refinery modernisation project and the Talara refinery modernisation project. Unlike the previous year, in which new project awards slowed down during the first half of the year as a result of the economic uncertainty, Técnicas Reunidas started 2010 in an ideal situation. At this time, the Company's order book is at a record high and is well diversified in terms of clients and countries.

5. Acquisition of Treasury Stock.

There were no transactions with treasury stock in 2009.

6. Management of Financial Risks and Use of Financial Instruments.

The principal financial risks and the procedures used to manage them are described in Note 3 of the enclosed report.

7. Other Risk Factors Affecting the Business.

Demand for the services of TECNICAS REUNIDAS is closely related to the level of investment in the gas and oil industry, which is not easy to predict.

- The future business success of TECNICAS REUNIDAS is contingent upon new contract being awarded.
- TECNICAS REUNIDAS depends on a relatively small number of contracts and clients, some of them located in the same country.
- TECNICAS REUNIDAS does part of its business abroad. This business is exposed to a certain degree of economic, social and political uncertainty. Unexpected, adverse changes in the countries where Técnicas Reunidas does business could result in its projects being paralysed, increased costs and potential losses.
- TECNICAS REUNIDAS depends on its key executive personnel.
- The success of associations, consortia, and joint ventures depends on our partners' complying with their respective obligations.
- A failure of information technology systems could have a negative impact on the business of TECNICAS REUNIDAS.
- TECNICAS REUNIDAS may be exposed to claims for the errors or omissions of its professionals.
- The warranty liability to clients could have a negative effect on Técnicas Reunidas's profits.
- TECNICAS REUNIDAS is not exempt from the risk of being involved in litigation.

8. Average Number of Employees by Category.

Category:	2009	2008
Engineers and other professionals	1,496	1,289
Surveyors, specialists and qualified assistants	381	333
Administrative	109	59
Unqualified assistants	381	362
Other categories	349	330
TOTAL	2,716	2,373

9. The Environment

Given the lines of business in which the companies of the Group operate, the Group has no liabilities, expenses, assets, provisions or contingencies of an environmental nature which could have a significant effect on its net worth, financial situation or results.

10. Capital structure, restrictions on the transferability of shares and significant shareholders

The share capital consists of 55,896,000 shares with a par value of 0.10 euro per share. All of the shares belong to the same class and therefore have the same rights and obligations. There are no restrictions on the transferability of the shares.

The significant shareholders, direct and indirect, are shown below:

Company		Number of Shares	Percentage of Total
Araltec, S.L.	Direct	17,882,564	31.99%
Aragonesa de Promoción de Obras y Construcciones	Direct	2,848,383	5.10%
Banco Bilbao Vizcaya Argentaria	Indirect	4,507,202	8.06%

11. Restrictions on Voting Rights.

Pursuant to article 16 of the Articles of Association, shareholders must possess at least 50 shares in order to attend General Meetings.

12. Shareholder Agreements.

On 23 May 2006, under a contract signed by Aragonesas Promoción de Obras y Construcción, S.L., BBVA Elcano Empresarial I, SCR and BBVA Elcano Empresarial II, SCR, the following agreements were reached:

- A syndicated voting commitment on the governing bodies of the Company by the shares controlled by José Lladó Fernández Urrutia (Araltec, S.L. and Aragonesas Promoción de Obras y Construcciones, S.L.) and those in the possession of the companies BBVA Elcano Empresarial, SCR and BBVA Elcano Empresarial II, SCR, in order to ensure a majority of votes in favour of the companies controlled by José Lladó Fernández Urrutia.

- A commitment by the companies BBVA Elcano Empresarial I, SCR and BBVA Elcano Empresarial II, SCR to maintain their shareholding for a period of nearly 9 years. The agreement also establishes a calendar for the progressive and optional exclusion of the shares subject to the syndication and maintenance agreement between the years 2010 and 2015 and a preferential acquisition right in favour of José Lladó Fernández Urrutia.

13. Rules for the Appointment and Substitution of Members of the Board of Directors and Amendment of the Company's Articles of Association.

These rules relative to the Board of Directors are described in detail in the Corporate Governance Report. The most relevant aspects are:

Articles 17 to 22 of the Rules of the Board of Directors regulate the appointment and removal of the directors of Técnicas Reunidas., stipulating that:

1. With the favourable report of the Appointments and Remuneration Committee, directors are appointed by the General Meeting or by the Board of Directors under the conditions stipulated in the Public Limited Companies Act.

2. The Board of Directors will make every effort to ensure that the Directors are persons of recognised solvency, competence and experience.

3. The Board of Directors may not propose or appoint anyone who holds an executive position in the Company or group of companies or who has family or professional ties to the executive directors, to other executive staff and/or to shareholders of the Company or its group of companies to fill the position of independent director.

4. The directors' term of office will be five (5) years, although they may be removed prior to that time by the General Meeting. At the end of their terms of office they may be re-elected for one or more terms of equal length.

5. Independent directors must step down after a term of 12 consecutive years after the time when the company's shares are first traded on the stock exchange.

6. Directors shall make their seats available to the Board of Directors and formally resign under the following circumstances:

- When they no longer occupy the executive posts associated with their appointment as directors.
- When they are affected by any of the situation of legal incompatibility or prohibition.
- When they receive a warning from the Board of Directors for having violated their obligations as directors.
- When their remaining on the Board could pose a risk to the Company's interests or when the reasons why they were appointed no longer exist (for example, when a nominee director disposes of it interest in the Company).

14. Powers of the Board of Directors, particularly those relative to the possibility of issuing or repurchasing shares.

According to the powers attributed to it under the Public Limited Companies Act, the Board of Directors is the ultimate decision-making body of the Company, with the exception of the matters specifically reserved for the General Meeting.

With regard to the power to issue or repurchase shares, article 5 of the Rules of the Board of Directors stipulates that it is the Board's responsibility to:

- Execute the treasury stock policy as authorised to do so by the General Meeting.

- Approve the Company's general policies and strategies, including the treasury stock policy and its limits, in particular.

-Approve the company's most relevant operating decision relative to investments and shareholdings in other companies, financial operations, hiring and employee remuneration.

15. Significant agreements signed by the Company which take effect, are modified or conclude if the control over the Company changes as a result of a takeover bid.

There are no agreements of this kind.

16. Agreements between the Company and its officers, executives or other employees who are entitled to receive an indemnity when they resign or are illegally dismissed or if the employment relationship comes to an end by reason of a takeover bid.

There is only one such agreement with a company executive which provides that in the event of illegal dismissal the indemnity would be determined in court and in the event of an objective dismissal, layoff or any other decision by the company, the amount of the indemnity would be 488,000 euros.

17. Corporate Governance Report.

The Corporate Governance Report is appended to this Directors' Report.