TECNICAS REUNIDAS

FIRST QUARTER RESULTS
January - March 2007
(Unaudited figures)

CONTENTS:

1. HIGHLIGHTS

HIGHLIGHTS *January - March*	**1Q 07** € million	**1Q 06*** € million	**Var.** %	**Year 2006*** € million
Backlog	**3,333**	**2,815**	***18%***	**3,040**
Net Revenues	**440**	**219**	***101%***	**1,235**
EBITDA	**24**	**11**	***118%***	**67**
Margin	***5.5%***	***5.1%***		***5.4%***
EBIT	**23**	**10**	***122%***	**63**
Margin	***5.3%***	***4.8%***		***5.1%***
Net Profit	**24**	**14**	***74%***	**65**
Net cash position	**254**	**251**	***1%***	**318**

* Adjusted figures

- **Net Profit climbed to € 24 million in the first quarter of 2007, with an increase of 74%, compared to the first quarter of 2006.**
- **Backlog increased to € 3,333 million, with a growth of 10% compared to December 2006. The most relevant award in the first quarter of the year was the Kayan Project for Sabic in Saudi Arabia.**
- **From 1Q 2006 to 1Q 2007, revenues doubled (+101%) to € 442 million, driven by growth in each of the three divisions.**
- **EBITDA and EBIT grew 118% and 122% respectively over the period, as a consequence of the significant increase in sales and margin expansion. EBITDA margin increased from 5.1% in first quarter 2006 to 5.5% in first quarter 2007.**
- **Net cash at the end of March 2007 amounted € 254 million. Net cash decreased from year-end, due to interim dividends and payments to suppliers on project execution.**

2. BACKLOG

	Project	Country	Client	Estimated Completion
Refining and Petrochemical	Rabigh	Saudi Arabia	Saudi Aramco	2008
	Coker	Chile	Enap	2008
	Nitric Acid Plant	Chile	Enaex	2008
	HDS—Bio Bio	Chile	Enap	2008
	Refining Units	Mexico	Pemex	2008
	Dung Quat	Vietnam	Petrovietnam	2009
	Kirikkale	Turkey	Tüpras	2007
	Polymer Plant	Spain	General Electric	2007
	Hydrocraker - Huelva	Spain	Cepsa	2008
	Refining Units	Chile	Enap	2009
	Hydrocraker Complex -Cartagena*	Spain	Repsol	2009
	Phenolics Plant- Kayan*	Saudi Arabia	Sabic	2009
Upstream and Natural Gas	Ju'aymah	Saudi Arabia	Saudi Aramco	2008
	Hawiyah	Saudi Arabia	Saudi Aramco	2008
	GC-28	Kuwait	KOC	2007
	Telemetry	Kuwait	KOC	2007
	TFT	Algeria	Total/Repsol/Sonatrach	2008
	RKF	Algeria	Cepsa/Sonatrach	2008
	Medgaz	Algeria	Medgaz	2009
	Saih Rawl (compression plant)	Oman	PDO	2009
Power	Plana del Vent	Spain	Gas Natural	2008
	As Pontes	Spain	Endesa	2008
	Barranco de Tirajana	Spain	Endesa	2007
	Ocaña/Cuenca	Spain	—	2007
	Escatron I & II	Spain	Global 3	2008
	Saih Rawl (power plant)	Oman	PDO	2009

* Project in execution on an open book basis

At the end of March 2007, the backlog of the company amounted to € 3,333 million, of which 93% corresponded to the oil and gas division and 7% to the power division. Infrastructure and industries contracts are not included in the backlog calculation. From March 2006, backlog grew by 18%.

The most relevant contract added to the backlog during the first quarter was a phenolics plant in Saudi Arabia. The plant is a part of the Kayan Complex and it was awarded by Saudi Kayan, an affiliated of SABIC. SABIC is the biggest company in the Middle East in terms of market capitalization and one of the ten biggest petrochemical producers in the world. The Phenolics Plant includes different units that will produce: 290,000 t/y of Cumene, 220,000 t/y of Phenol, 240,000 t/y of bisphenol-A and 71,000 t/y of acetone recovery. Phenol is used in the production of plastics, resins, polycarbonates and pharmaceutical products. The contract was signed on an “open book” basis. In the backlog, the company included a current estimate of the expected value of the project.

At the end of March 2007, the backlog includes two projects signed on an open book basis: The Cartagena Project in Spain and the Kayan project in Saudi Arabia. The conversion of the service contract into a lump sum contract will take place in several months, when the total cost estimation is finished and agreed with the client. The company estimated the total value of these projects in € 1.45 billion.

3. CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMEI January - March	1Q 07 € million	1Q 06 [1] € million	Var. %	Year 2006[2] € million
Net Revenues	**440.5**	**219.2**	**100.9%**	**1,234.5**
Other Revenues	0.1	0.2		2.4
Total Income	**440.5**	**219.4**	**100.7%**	**1,236.9**
Raw materials and consumables	-318.1	-129.6	**145.5%**	-780.9
Personnel Costs	-48.9	-37.8	**29.4%**	-165.9
Other operating costs	-49.3	-41.0	**20.2%**	-223.5
EBITDA	**24.3**	**11.1**	**118.4%**	**66.6**
Amortisation	-1.1	-0.7		-3.9
EBIT	**23.2**	**10.4**	**122.2%**	**62.7**
Financial Income/ expense	2.0	3.6		5.2
Share in results obtained by associates	0.0	0.0		0.5
Profit before tax	**25.2**	**14.1**	**78.6%**	**68.4**
Income tax	-1.3	-0.3		-2.9
Net Profit	**23.9**	**13.8**	**73.6%**	**65.4**

(1) Net Profit excluding the profit from the sale of a real state subsidiary

(2) Adjusted audited 2006 accounts excluding IPO costs and the profit from the sale subsidiary

3.1 REVENUES

REVENUES BREAKDOWN January - March	1Q 07 € million	%	1Q 06 € million	%	Var. %
Oil and gas	357.5	81%	164.0	75%	118.0%
Power	56.4	13%	35.0	16%	61.3%
Infrastructure and industry	26.5	6%	20.2	9%	31.1%
Net Revenues	**440.5**	**100%**	**219.2**	**100%**	**100.9%**

Tecnicas Reunidas net revenues grew by 100.9%, reaching € 440.5 million in the first quarter of 2007, with strong performance in all business units:

Oil and Gas: Revenues in first quarter 2007 increased by 118.0%, compared to the same period the year before, representing 81% of total sales. The refining and petrochemical subdivision continued to be the major contributor to absolute sales growth although upstream and gas is growing at the same pace than the refining and petrochemical subdivision.

- Refining and petrochemical. The major contributors to revenues in the first quarter of 2007 were the Rabigh project for Saudi Aramco (Saudi Arabia), and the projects in Mexico, Chile and Vietnam. The Cartagena Project for Repsol and the Kayan Project are in their initial phase with little contribution to sales.

- Upstream and natural gas. In the first quarter of 2007, growth in this subdivision was enhanced by the Saih Rawl Project for PDO, Oman. Also, the Juaymah and Hawiyah projects, which are in their construction phase, contributed significantly to sales. Medgaz is still in a very early stage of work progression as it started in this quarter.

Power: Revenues from this division increased by 61.3%, from € 35.0 million in the first quarter of 2006 to € 56.4 million for the same period in 2007. Growth was mainly driven by the two IGCC, Baranco de Tirajana and AS Pontes, both for Endesa in Spain as well as the power component of the Saih Rawl Project in Oman.

Infrastructure and industry**:** Revenues in the infrastructure and industry division grew by 31.1%, reaching € 26.5 million in 1Q 2007. The major projects contributing to revenues were several facilities for municipalities in Madrid and Andalucia, the Santiago de Compostela Airport and a Carbon Fibre Plant at Toledo for Hexcel.

3.2 OPERATING PROFIT

OPERATING MARGINS January - March	1Q 07 € million	1Q 06 € million	Var. %	Year 2006 € million
EBITDA	24.3	11.1	118.4%	66.6
Margin	*5.5%*	*5.1%*		*5.4%*
EBIT	23.2	10.4	122.2%	62.7
Margin	*5.3%*	*4.8%*		*5.1%*

EBIT BREAKDOWN January - March	1Q 07 € million	1Q 06 € million	Var. %	Year 2006 € million
Operating Profit from divisions	31.8	17.4	83.2%	92.1
Costs not assigned to divisions	-8.6	-6.9	24.5%	-29.4
Operating profit (EBIT)	**23.2**	**10.4**	**122.2%**	**62.7**

EBITDA reached 24.3 million in the first quarter of 2007, up 118.4% and EBIT reached €23.2 million for the same period, up 122.2%. This substantial growth stemmed from an improvement in margins plus the effect of the fast growing sales.

With respect to operating margins, their improvement continues to be led by economies of scale in general expenses (costs not assigned to divisions) and better contractual terms in the recently awarded projects.

3.3 NET PROFIT

NET PROFIT January - March	1Q 07 € million	1Q 06 € million	Var. %	Year 2006 € million
Net Profit	**23.9**	**13.8**	**73.6%**	**65.4**
Margin	**5.4%**	**6.3%**		**5.3%**

In the first quarter of 2007, net profit climbed to € 23.9 million and grew by 73.6%, compared to the same period in 2006, in adjusted terms. Net Margin stood at 5.4%, compared to 6.3% of the first quarter 2006, affected by slightly higher tax and the different sign of the gains/losses in transactions in foreign currency.

Financial Income/ Expense

Financial Income/Expense January - March	1Q 07 € million	1Q 06 € million	Year 2006 € million
Net financial Income *	2.6	3.0	10.7
Gains/losses in transactions in foreign currency	-0.6	0.6	-5.5
Financial Income/Expense	**2.0**	**3.6**	**5.2**

***** From net cash and other investments less financial expenditure

Financial results decreased from an income of € 3.6 million as of March 2006 to an income of € 2.0 million as of March 2007. This deacrease is mainly due to the change of sign in the gains/losses in transactions in foreign currency, as a consequence of the conversion of monetary cash balances at a much weaker US dollar exchange rate.

Income Tax

Tecnicas Reunidas recognised a tax expense of € 1.3 million in the first quarter of 2007, due to the higher level of operations in Spain.

4. CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET	Mar-07 € million	Mar-06 € million	Dec-06 € million
ASSETS:			
Non-current Assets			
Tangible and intangible assets	35.9	20.4	34.6
Investment in associates	6.4	7.1	6.0
Deferred tax assets	18.2	18.9	18.4
Other non-current assets	6.3	3.5	4.6
	66.8	**50.0**	**63.6**
Current assets			
Inventories	17.2	3.6	17.9
Trade and other receivables	903.7	523.3	718.4
Other current assets	8.8	2.3	12.4
Cash and Financial assets	333.6	296.6	368.1
	1,263	**825.8**	**1,116.9**
TOTAL ASSETS	**1,330**	**875.8**	**1,180.5**
EQUITY AND LIABILITIES:			
Equity	**182.9**	**115.0**	**162.2**
Non-current liabilities	**13.0**	**8.1**	**34.5**
Financial Debt	3.3	0.0	2.0
Other non-current liabilities	9.7	8.1	32.5
Long term provisions	**26.7**	**43.4**	**23.1**
Current liabilities			
Financial Debt	76.3	45.2	48.3
Accounts payable	1,002.0	535.0	883.3
Other current liabilities	29.2	129.1	52.2
	1,107.5	**709.3**	**983.8**
Total liabilities	**1,147.2**	**760.8**	**1,018.3**
TOTAL EQUITY AND LIABILITIES	**1,330.1**	**875.8**	**1,180.5**

EQUITY	Mar-07 € million	Mar-06 € million	Dec-06 € million
Shareholders' funds + retained profit	190.0	141.9	167.2
Hedging reserve	6.5	-5.0	9.1
Interim dividends	-16.8	-23.8	-16.8
Minorty Interest	3.3	1.8	2.6
EQUITY	**182.9**	**115.0**	**162.2**

NET CASH POSITION	Mar-07 € million	Mar-06 € million	Dec-06 € million
Current assets less cash and financial assets	929.7	529.2	748.7
Current liabilities less financial debt	-1,031.2	-664.1	-935.5
COMMERCIAL WORKING CAPITAL	**-101.5**	**-134.8**	**-186.8**
Financial assets	22.3	40.1	21.6
Cash and cash equivalents	311.3	256.4	346.6
Financial Debt	-79.6	-45.2	-50.3
NET CASH POSITION	**254.0**	**251.3**	**317.8**
NET CASH + COMMERCIAL WORKING CAPITAL	**152.5**	**116.5**	**131.0**

- Net cash reached € 254.0 million in the first quarter of 2007. Compared to December 2006, net cash decreased as a consequence of interim dividend (€ 16.8 million) and the timing of payments made to critical suppliers in order to ensure the achievement of deadlines and cost savings.

- In January 2007, the company paid out a 2006 interim dividend of € 0.30 per share. In March, the Board of Directors decided to propose to the Shareholders Annual General Meeting (AGM) the distribution of a total dividend of € 0.64 per share against 2006 results. Therefore, the company will distribute a complementary dividend of 0.34 per share, on the 7th of July. Altogether, the total dividend payment against 2006 results will be € 35.8, which represents 50% of 2006 net profit.

- Equity grew by € 67.9 million. This increase came from the net profit generated by the operations, which outweighed the distribution of dividends.

5. RELEVANT EVENTS AND OTHER COMMUNICATIONS

- In the first quarter of 2007, the company filed with the Spanish CNMV a communication on the Kayan Project in Saudi Arabia. TR was selected by Saudi Kayan Petrochemical Company for the phenol plant in their petrochemical complex in Jubail, Saudi Arabia. The plant main investor is SABIC, along with its partner Kayan Petrochemical. As mentioned before, the project involves the production of 290,000 t/y of Cumene, 220,000 t/y of Phenol, 240,000 t/y of bisphenol-A and 71,000 t/y of acetone recovery. Work will start on February 22, 2007 and is expected to be finished by October 2009.

- In January 2007, the company paid out a 2006 interim dividend of €0.30 per share, amounting a total of € 16.8 million. On March 28, the Board of Directors decided to propose to the Shareholders Annual General Meeting the distribution of a total dividend of € 0.64 per share against 2006 results. Therefore, the company will distribute a complementary dividend of 0.34 per share, on July 7. Altogether, the total dividend payment against 2006 result will be € 35.8 million, which represents 50% of 2006 net profit.

- In April 2007, the company announced the award of a contract in the United Arab Emirates. Abu Dhabi Polymers Company Limited, BOROUGE, a Joint Venture between Abu Dhabi National Oil Company (ADNOC) and Borealis, awarded to TR the contract for the Project of auxiliary systems and interconnections of the expansion of its Ruwais petrochemical complex in Abu Dhabi. The project was awarded under the “open book” model, convertible to turnkey, and will include the supply of all the auxiliary systems and interconnections of all the packages of the expansion of the complex known as Borouge 2. According to the customer’s estimates, the value of the project could rise to around 1,234 million dollars. Engineering work is due to start immediately, with completion envisaged for the year 2010. The expansion of this complex will triple the annual production capacity of polyolefins up to two million tons, which will enable Borouge to supply its customers with high performance products for an increasingly wide range of applications. This project will be booked in the backlog of the second quarter of 2007.

- On March 2007, the Board of Directors submitted TR audited 2006 Annual Accounts that will be presented for approval at the AGM. There are two minor differences relating to EBITDA and Net Profit. The former increased by € 0.3 million, whereas the latter decreased by € 0.2 million.