TECNICAS REUNIDAS

FIRST HALF RESULTS
January - June 2007
(Unaudited figures)

CONTENTS:

1. HIGHLIGHTS

HIGHLIGHTS *January - June*	**1H 07** € million	**1H 06*** € million	**Var.** %	**Year 2006*** € million
Backlog	**3,779**	**2,659**	***42%***	**3,040**
Net Revenues	**913**	**485**	***88%***	**1,235**
EBITDA	**51**	**26**	***98%***	**67**
Margin	***5.5%***	***5.3%***		***5.4%***
EBIT	**48**	**24**	***100%***	**63**
Margin	***5.3%***	***5.0%***		***5.1%***
Net Profit	**50**	**26**	***87%***	**65**
Net cash position	**258**	**239**	***8%***	**318**

* Adjusted figures

- **Net Profit climbed to € 50 million in the first half of 2007, with an increase of 87%, compared to the first half of 2006.**
- **Backlog increased to € 3,779 million, with a growth of 42% compared to June 2006. The most relevant awards in the first half of the year were the Kayan Project for Sabic in Saudi Arabia and the Borouge Project for ADNOC in Abu Dhabi, United Emirates.**
- **During the month of July, the company was awarded with four combine cycles (CCGT's) projects for Endesa (in two locations), Gas Natural and Gaz de France for an aggregate amount of about € 500 million.**
- **From 1H 2006 to 1H 2007, revenues grew by 88 % and amounted to € 913 million, primarily driven by growth in oil and gas.**
- **EBITDA and EBIT grew 98% and 100% respectively over the period, as a consequence of the significant increase in sales and margin expansion. EBITDA margin increased from 5.3% in first half 2006 to 5.5% in first half 2007.**
- **Net cash at the end of June 2007 amounted € 258 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	Kirikkale	Turkey	Tüpras	2007
	Polymer Plant	Spain	General Electric	2007
	Guanxi Refinery	China	PetroChina	2007
	Hydrocraker - Huelva	Spain	Cepsa	2008
	Rabigh	Saudi Arabia	Saudi Aramco	2008
	Nitric Acid Plant	Chile	Enaex	2008
	HDS—Bio Bio	Chile	Enap	2008
	Refining Units	Mexico	Pemex	2008
	Coker	Chile	Enap	2008
	Dung Quat	Vietnam	Petrovietnam	2009
	Refining Units	Chile	Enap	2009
	Phenolics Plant- Kayan*	Saudi Arabia	Sabic	2009
	Hydrocraker Complex -Cartagena*	Spain	Repsol	2010
	Borouge Project*	United Arabs Emirates	ADNOC/ Borealis	2010
Upstream and Gas	GC-28	Kuwait	KOC	2007
	Telemetry	Kuwait	KOC	2007
	Ju'aymah	Saudi Arabia	Saudi Aramco	2008
	Hawiyah	Saudi Arabia	Saudi Aramco	2008
	TFT	Algeria	Total/Repsol/Sonatrach	2008
	RKF	Algeria	Cepsa/Sonatrach	2008
	Medgaz	Algeria	Medgaz	2009
	Saih Rawl (compression plant)	Oman	PDO	2009
Power	Barranco de Tirajana	Spain	Endesa	2007
	Ocaña/Cuenca	Spain	—	2007
	Plana del Vent	Spain	Gas Natural	2008
	As Pontes	Spain	Endesa	2008
	Escatron I & II	Spain	Global 3	2008
	Saih Rawl (power plant)	Oman	PDO	2009

* Project in execution on an open book

Backlog as of June, 30th

At the end of June 2007, the backlog of the company amounted to € 3,779 million, of which 94% corresponded to the oil and gas division and 6% to the power division. Infrastructure and industries contracts are not included in the backlog calculation. From December 2006, the backlog grew by 24%.

The most relevant contracts added to the backlog during the first half were the phenolics plant for SABIC in Saudi Arabia and the Borouge project for ADNOC in Abu Dhabi.

- The phenolics plant is a part of the Kayan Complex and it was awarded by 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 contract was signed on an “open book” basis. In the backlog, the company included a current estimate of the expected value of the project.
- In April 2007, BOROUGE, a Joint Venture between Abu Dhabi National Oil Company (ADNOC) and Borealis, awarded to TR 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 amount to around 1,234 million dollars. 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.

Other smaller projects were awarded in the second quarter of 2007, and therefore, included in the backlog, such as a LNG tank for Gas Natural, a biodiesel plant and a photovoltaic plant. Adaptation

At the end of June 2007, the backlog includes three projects signed on an open book basis that are expected to convert to lump sum contracts in the future: The Cartagena Project in Spain, the Kayan project in Saudi Arabia, and the Borouge Project in Abu Dhabi. The current backlog includes € 2.3 billion, as the company estimate of the aggregate value of these three projects.

Awards after the first half of 2007

The company was awarded with four projects in the power division, which, therefore, will be booked in the third quarter of 2007. The total value for TR of these projects will be about € 500 million. The four projects are:

- A 800 MW CCGT in San Adrián de Besós, Barcelona for ENDESA. The contract was signed in July 2007 and the works have already started.

- GAS NATURAL awarded a CCGT of 800 MW to TR to be built in Barcelona harbour.

- A 230 MW CCGT in Granadilla, Canary Islands, for ENDESA.

- GAZ DE FRANCE awarded to TR a CCGT of 400 MW in Montoir de Bretagne, France.

3. CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT January - June	1H 07 € million	1H 06 (1) € million	Var. %	Year 2006(2) € million
Net Revenues	**913.0**	**485.0**	**88.2%**	**1,234.5**
Other Revenues	0.3	2.4		2.4
Total Income	**913.3**	**487.4**	**87.4%**	**1,236.9**
Raw materials and consumables	-643.2	-277.1	**132.1%**	-780.9
Personnel Costs	-98.1	-76.8	**27.7%**	-165.9
Other operating costs	-121.4	-108.0	**12.4%**	-223.5
EBITDA	**50.6**	**25.5**	**98.3%**	**66.6**
Amortisation	-2.2	-1.4		-3.9
EBIT	**48.4**	**24.2**	**100.1%**	**62.7**
Financial Income/ expense	4.1	2.8		5.2
Share in results obtained by associates	0.1	0.0		0.5
Profit before tax	**52.5**	**27.0**	**94.2%**	**68.4**
Income tax	-3.0	-0.6		-2.9
Net Profit	**49.5**	**26.4**	**87.4%**	**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 of subsidiary

3.1 REVENUES

REVENUES BREAKDOWN January - June	1H 07 € million	%	1H 06 € million	%	Var. %
Oil and gas	774.0	85%	358.6	74%	115.8%
Power	95.6	10%	73.8	15%	29.5%
Infrastructure and industry	43.4	5%	52.6	11%	-17.5%
Net Revenues	**913.0**	**100%**	**485.0**	**100%**	**88.2%**

Tecnicas Reunidas net revenues grew by 88.2%, reaching € 913.0 million in the first half of 2007, with strong performance in all business units:

Oil and Gas: Revenues in first half 2007 increased by 115.8% compared to the same period the year before, representing 85% 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 half of 2007 were the Rabigh project for Saudi Aramco (Saudi Arabia), and the projects in Mexico, Chile and Vietnam. The Cartagena Project for Repsol, the Kayan Project and the Borouge Project are in their initial phase with little contribution to sales.

- Upstream and natural gas. In the first half of 2007, growth in this subdivision was enhanced by the Saih Rawl Project for PDO, Oman. Also, the Juaymah and Hawiyah projects in Saudi Arabia and the two projects in Kuwait, which are in their construction phase, contributed significantly to sales. Medgaz is still in an early stage of work progression.

Power: Revenues from this division increased by 29.5%, from € 73.8 million in the first half of 2006 to € 95.6 million for the same period in 2007. Growth was mainly driven by the two CCGT projects for Endesa, Baranco de Tirajana and As Pontes and the Escatron Project in Spain as well as the power plant of the Saih Rawl Project in Oman.

Infrastructure and industry**:** Revenues in the infrastructure and industry division decreased by 17.5% and stood at € 43.4 million in 1H 2007 due to the accounting treatment of some major projects which are being booked as fixed assets.

3.2 OPERATING PROFIT

OPERATING MARGINS January - June	1H 07 € million	1H 06 € million	Var. %	Year 2006 € million
EBITDA	50.6	25.5	98.3%	66.6
Margin	*5.5%*	*5.3%*		*5.4%*
EBIT	48.4	24.2	100.1%	62.7
Margin	*5.3%*	*5.0%*		*5.1%*

EBIT BREAKDOWN January - June	1H 07 € million	1H 06 € million	Var. %	Year 2006 € million
Operating Profit from divisions	66.1	39.9	65.7%	92.1
Costs not assigned to divisions	-17.7	-15.7	12.7%	-29.4
Operating profit (EBIT)	**48.4**	**24.2**	**100.1%**	**62.7**

EBITDA reached 50.6 million in the first half of 2007, up 98.3% and EBIT reached € 48.4 million for the same period, up 100.1%. 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 - June	1H 07 € million	1H 06 € million	Var. %	Year 2006 € million
Net Profit	**49.5**	**26.4**	**87.4%**	**65.4**
Margin	**5.4%**	**5.4%**		**5.3%**

In the first half of 2007, net profit climbed to € 49.5 million and grew by 87.4%, compared to the same period in 2006, in adjusted terms. Net Margin stood at 5.4%, equivalent to 5.4% of the first half 2006.

Financial Income/ Expense

Financial Income/Expense January - June	1H 07 € million	1H 06 € million	Year 2006 € million
Net financial Income *	4.9	5.1	10.7
Gains/losses in transactions in foreing currency	-0.9	-2.3	-5.5
Financial Income/Expense	**4.1**	**2.8**	**5.2**

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

Financial results increased from an income of € 2.8 million as of June 2006 to an income of € 4.1 million as of June 2007, due to a minor impact of the “losses in transactions in foreign currency” because of the progressive adaptation of the company hedging policy to IFRS requirements.

Income Tax

Tecnicas Reunidas recognised a tax expense of € 3.0 million in the first half of 2007, due to the higher level of operations in Spain.

4. CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET	Jun-07 € million	Jun-06 € million	Dec-06 € million
ASSETS:			
Non-current Assets			
Tangible and intangible assets	39.2	22.7	34.6
Investment in associates	7.0	7.1	6.0
Deferred tax assets	18.3	19.1	18.4
Other non-current assets	7.2	4.5	4.6
	71.7	**53.3**	**63.6**
Current assets			
Inventories	13.9	2.6	17.9
Trade and other receivables	1,040.0	570.5	718.4
Other current assets	9.4	6.6	12.4
Cash and Financial assets	305.1	311.2	368.1
	1,368.4	**890.9**	**1,116.9**
TOTAL ASSETS	**1,440.1**	**944.2**	**1,180.5**
EQUITY AND LIABILITIES:			
Equity	**191.7**	**130.1**	**162.2**
Non-current liabilities	**14.4**	**8.1**	**34.5**
Financial Debt	4.5	0.0	2.0
Other non-current liabilities	9.9	8.1	32.5
Long term porvisions	**26.4**	**42.9**	**23.1**
Current liabilities			
Financial Debt	42.4	71.7	48.3
Accounts payable	1,109.5	661.3	883.3
Other current liabilities	55.8	30.0	52.2
	1,207.7	**763.1**	**983.8**
Total liabilities	**1,248.4**	**814.1**	**1,018.3**
TOTAL EQUITY AND LIABILITIES	**1,440.1**	**944.2**	**1,180.5**

EQUITY	Jun-07 € million	Jun-06 € million	Dec-06 € million
Shareholders' funds + retained profit	179.2	129.6	167.2
Hedging reserve	8.0	-1.7	9.1
Interim dividends	0.0	0.0	-16.8
Minorty Interest	4.6	2.2	2.6
EQUITY	**191.7**	**130.1**	**162.2**

NET CASH POSITION	Jun-07 € million	Jun-06 € million	Dec-06 € million
Current assets less cash and financial assets	1,063.3	579.7	748.7
Current liabilities less financial debt	-1,165.3	-691.3	-935.5
COMMERCIAL WORKING CAPITAL	**-102.0**	**-111.6**	**-186.8**
Financial assets	19.0	35.3	21.6
Cash and cash equivalents	286.1	275.9	346.6
Financial Debt	-46.9	-71.7	-50.3
NET CASH POSITION	**258.3**	**239.5**	**317.8**
NET CASH + COMMERCIAL WORKING CAPITAL	**156.3**	**127.8**	**131.0**

- Net cash reached € 258.3 million in the first half of 2007. Compared to December 2006, net cash decreased as a consequence of interim dividend payments (€ 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. The complementary dividend of € 0.34 per share was paid in July 2007. Therefore, the total dividend against 2006 results amounted to € 0.64 for an aggregate of € 35.8 million, which represents about 50% of 2006 net profit.

- Equity grew by € 29.5 million from December 2006 to June 2007. This increase came from the net profit generated by the operations, which outweighed the distribution of the complementary dividend.

5. RELEVANT EVENTS AND OTHER COMMUNICATIONS

- In the first half 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. Work started February 22, 2007 and is expected to be finished by October 2009.

- In April 2007, 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 amount to around 1,234 million dollars. Engineering work started in April, 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.

- In July 2007, the company was awarded four combined cycles (CCGT) with a total amount of around € 500 million. Three of these projects are located in Spain and the other one will be constructed in France. The projects are illustrated in this document. Describe

- At the Ordinary General Meeting of Shareholders of TECNICAS REUNIDAS, S.A., held at first call on 26th of June 2007, all the resolutions proposed were approved, such as 2006 Annual Accounts and the distribution of the dividend of € 35,773,440.