



TECNICAS REUNIDAS

**FIRST HALF RESULTS
January – June 2011**

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2011 First Half Results subject to limited review by Auditors (PWC).

1. HIGHLIGHTS

HIGHLIGHTS <i>January - June</i>	1H 11 € million	1H 10 € million	Var. %	Year 2010* € million
Backlog	4,491	6,230	-27.9%	5,730
Net Revenues	1,367	1,366	0.1%	2,771
EBITDA	83	81	2.4%	163
<i>Margin</i>	6.0%	5.9%		5.9%
EBIT	79	77	2.0%	156
<i>Margin</i>	5.8%	5.6%		5.6%
Net Profit	66	76	-13.5%	136
Net cash position	601	646	-6.9%	525

*Net profit adjusted by € 39.3 million of extraordinary tax expense

- Revenues in the first half of 2011 stood at € 1,367 million, similar to the revenues of the first half 2010.
- EBITDA and EBIT grew by 2.4% and 2.0%, respectively. EBITDA and EBIT margin increased slightly to 6.0% and 5.8%, respectively.
- Net profit reached € 66 million, down 13.5% compared to the first half of the 2010 net profit, mainly due to the negative impact of dollar depreciation on cash balances and to a higher corporate tax rate. Excluding these effects, net profit would have been 8.3% higher.
- As of June 30, 2011 net cash of the Group stood at € 601 million, € 76 million higher than net cash at the end of 2010. In July and August the company bought back shares equivalent to 1.03% of total equity.
- At the end of June 2011, Tecnicas Reunidas' backlog stood at € 4,491 million. Awards in the second quarter of 2011 amounted to € 176 million and the main new orders booked in the quarter were: a Gasoil Hydrodesulphurization Unit (HDS) for Total in France, a gas compression station for Botas in Turkey and a FEED contract for a hydrocracker complex for Lukoil in Russia.

2. BACKLOG

	Project	Country	Client	Estimated Delivery
Refining and Petrochemical	Yanbu Refinery	Saudi Arabia	Saudi Aramco	2014
	Talara Refinery*	Peru	Petroperu	2014
	Izmit Refinery*	Turkey	Tüpras	2014
	Normandy Refinery	France	Total	2013
	Al Jubail Refinery	Saudi Arabia	SATORP	2013
	Hydrocraker - Danube*	Hungary	MOL	2012
	Elefsina	Greece	Hellenic Petroleum	2011
	Khabarovsk	Russia	OC Alliance	2011
	Sines	Portugal	Galp	2011
	Cartagena	Spain	Repsol	2011
	Crude Distillation Unit Mohammedia	Morocco	Samir	2011
	Alkylation unit	Chile	Enap	2011
	Refining Units	Mexico	Pemex	2011
Upstream & Gas	Shah	United Arab Emirates	ADNOC	2014
	Mejillones LNG tank	Chile	Codelco/GDF Suez	2013
	Zhuhai LNG terminal	China	Guangdong Zhuhai Golden Bay LNG	2013
	Gas compression station	Turkey	Botas	2012
	Margarita field	Bolivia	Repsol/British Gas/Pan American Energy	2012
	SAS	United Arab Emirates	ADCO	2012
Power	Manifa	Saudi Arabia	Saudi Aramco	2012
	Moerdijk	Holland	Essent	2011
	Granadilla II	Spain	Endesa	2011
	Montoir de Bretagne**	France	Gaz de France	-
I & I	Southern Sea Water Desalination Plant	Australia	Water Corporation	2011

* Project in execution on an open book basis

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

Backlog as of June, 30th 2011

At the end of June 2011, the backlog of Tecnicas Reunidas (TR) stood at €4,491 million.

The Oil and Gas division represented 94% of the total backlog, while the Power division, together with the Australian desalination plant, accounted for the rest.

Projects in execution that were on an Open Book (OBE) stage at the end of June of 2011 represented 48% of the total backlog.

During the second quarter of 2011, TR's order intake amounted to € 176 million. The Burrup project for Yara accounted in the 1Q 11 has been removed from the backlog as the project is still pending approval by Burrup Holding Board of Directors. The main projects added to the backlog during the second quarter were:

- The Normandy refinery project in France: Total selected Técnicas Reunidas for the engineering, procurement, construction and commissioning of a new Gasoil Hydrodesulphurization Unit (HDS) for its Normandy Refinery. This contract has been awarded under the EPC Lump Sum Turn Key model and it is worth around € 100 million.

The unit, with a design capacity of 3.840 t/d, is designed to produce desulphurized diesel with just 8 ppm weight sulphur, and will be in operation in 2013.

- The Botas project in Turkey: Botas, the Turkish state-owned gas distribution company, awarded Técnicas Reunidas the execution of a natural gas compression station under a Lump-Sum Turnkey Contract.

The contract includes the design and detail engineering, the procurement of all equipment and materials, as well as the construction and the start up support services for the compression station facilities. The project will be completed by the end of 2012.

- The Volgograd refinery project in Russia: Técnicas Reunidas received a services contract in Russia for LUKOIL's refinery in Volgograd. The contract consists of the development of the Front End Engineering and Design (FEED) of a hydrocracker complex, which runs on technology by UOP.

Técnicas Reunidas is the engineering and construction company with the most recent experience in the world with these types of units, which are the most technologically complex refining units. The design of this complex should be completed by the summer of 2012 and will require more than two hundred thousand man-hours of engineering for Técnicas Reunidas.

The company has already secured other relevant project to be included in the third quarter order intake:

- The second phase of the desalination project in Australia: Tecnicas Reunidas has been awarded the execution of the expansion of the Binningup Sea Water Desalination Plant in Western Australia, for the WATER CORPORATION, along with Valoriza Agua (a subsidiary of Sacyr Vallehermoso), AJ Lucas and Worley Parsons, forming the consortium "Southern Seawater Alliance". The consortium shares are: 38% for Tecnicas Reunidas, S.A., 38% for Valoriza Agua, and 19% and 5%, respectively for the two Australian partners. Total investment of the project amounts to 450 million Australian Dollars.

The first stage of the Binningup Desalination Plant has been completed by the same consortium over the last two and a half years at a cost of

955 million Australian Dollars (circa 750 million Euros) on time and under budget, and will be fully operational for 25 years beginning November 2011.

The expanded desalination plant, Southern Seawater Desalination Plant Stage 2, will provide a total 100 hm³ of drinking water per year. The consortium will be responsible for the design, turnkey construction, operation and maintenance of the plant, including the water pipelines and other infrastructure needed to integrate the desalination plant with the “Integrated Water Supply System”.

Moreover, Tüpras made an announcement dated December 18, 2009 concerning the Fuel Oil Conversion Project (Izmit Residuum Upgrading Project). The Tüpras board of directors, that met on July 22, 2011, decided to continue the investment and signed an additional agreement with TR on a lump sum turnkey basis for \$ 2,382.5 million. Negotiations are being finalised over the financing of the project and further announcements will be made when the financial contract comes into force.

3. CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT January - June	1H 11 € million	1H 10 € million	Var. %	Year 2010* € million
Net Revenues	1,366.8	1,366.0	0.1%	2,771.4
Other Revenues	3.9	1.0		2.6
Total Income	1,370.7	1,367.0	0.3%	2,773.9
Raw materials and consumables	-988.5	-922.0		-1,902.5
Personnel Costs	-176.0	-171.3		-334.8
Other operating costs	-123.6	-193.1		-373.7
EBITDA	82.5	80.6	2.4%	162.9
Amortisation	-3.8	-3.4		-7.4
EBIT	78.8	77.2	2.0%	155.5
Financial Income/ expense	-2.9	9.1		10.4
Share in results obtained by associates	0.3	-0.5		-2.5
Profit before tax	76.1	85.8	-11.3%	163.5
Income taxes	-10.1	-9.5		-26.2
Net Profit	66.0	76.3	-13.5%	136.2

* 2010 Net Profit adjusted by €39.3 million of extraordinary tax expense.

3.1 REVENUES

REVENUES BREAKDOWN January - June	1H 11 € million	%	1H 10 € million	%	Var. %	Year 2010 € million
Oil and gas	1,215.1	88.9%	1,079.0	79.0%	12.6%	2,153.5
Power	96.7	7.1%	195.6	14.3%	-50.6%	395.1
Infrastructure and industries	55.0	4.0%	91.5	6.7%	-39.8%	222.8
Net Revenues	1,366.8	100%	1,366.0	100%	0.1%	2,771.4

Net revenues for the first half of 2011 amounted to € 1,367 million, similar to the level of the same period of 2010. This figure should be positively evaluated under the light of the weakness of the Dollar versus the Euro (average rate for the 1H 2011 was 1.41 compared to 1.33 in 1H 2010) as well as by the high level of projects on an Open Book basis.

Oil and Gas: From January to June 2011, revenues grew by 12.6% compared to the same period of 2010, representing 89% of total sales. The Refining and Petrochemical unit was the largest contributor to sales.

- Refining and petrochemical. The main projects in terms of revenues contribution in the first half of 2011 were: Jubail for Saudi Aramco (Saudi Arabia), Izmit for Tüprás (Turkey) and Sines for Galp Energia (Portugal).
- Upstream and natural gas. The major contributors to revenues in this division were the SAS project for ADCO in Abu Dhabi and the Margarita project for Repsol / BG / PAE in Bolivia.

Power: Revenues in this division declined by 51% from € 195.6 million in the first half 2010 to € 96.7 million in the first half 2011. This division finished in 2010 major important projects such as the CCGT of Montoir de Bretagne in France and the CCGTs of Puerto de Barcelona and San Adrian de Besos, in Spain. The main contributor to the sales of this division was the Manifa project for Saudi Aramco in Saudi Arabia.

Infrastructure and industries: Infrastructure and Industries revenues stood at € 55 million in the first half 2011, down 40%. This division was affected by the decrease in Spanish Government infrastructure investment. The main contributor to revenues in this division was the first phase of the desalination project in Australia for Water Corporation.

3.2 OPERATING PROFIT

OPERATING MARGINS January - June	1H 11 € million	1H 10 € million	Var. %	Year 2010 € million
EBITDA	82.5	80.6	2.4%	162.9
<i>Margin</i>	6.0%	5.9%		5.9%
EBIT	78.8	77.2	2.0%	155.5
<i>Margin</i>	5.8%	5.6%		5.6%

EBIT BREAKDOWN January - June	1H 11 € million	1H 10 € million	Var. %	Year 2010 € million
Operating Profit from divisions	112.5	109.3	2.9%	216.4
Costs not assigned to divisions	-33.7	-32.1	5.1%	-60.9
Operating profit (EBIT)	78.8	77.2	2.0%	155.5

- In the first half of 2011, EBITDA amounted to € 82.5 million, with a 2.4% increase compared to the same half of the year 2010. On the other hand, EBIT was € 78.8 million, +2.0%, compared to the same period of 2010.
- TR's EBITDA and EBIT margins stood at 6.0% and 5.8%, respectively.

3.3 NET PROFIT

NET PROFIT January - June	1H 11 € million	1H 10 € million	Var. %	Year 2010* € million
Net Profit	66.0	76.3	-13.5%	136.2
<i>Margin</i>	4.8%	5.6%		4.9%

*2010 Net Profit adjusted by extraordinary tax expense.

Financial Income/Expense January - June	1H 11 € million	1H 10 € million	Year 2010** € million
Net financial Income *	4.2	3.1	8.4
Gains/losses in transactions in foreign currency	-7.1	6.0	2.0
Financial Income/Expense	-2.9	9.1	10.4

* Financial income less financial expenditure

** 2010 Net Financial income adjusted by € 3.6 million of related extraordinary financial expense

- Net financial result decreased from a positive € 9.1 million in the first half of 2010, to a negative € 2.9 million in the first half 2011. This reduction was driven by the weakness of the Dollar versus the Euro in the first half

of 2011 which led to a lower valuation in Euros of the net cash position held in dollars as of June 30th 2011. This generated € 7.1 million of net losses in transactions in foreign currency, which compares to € 6.0 million of gains one year ago.

- The company recognised a tax expense of € 10.1 million in the first half of 2011 which represents an estimated tax rate of 13.3%. This tax rate is higher than the tax rate initially estimated in the first half of 2010 that was 11.1%, later corrected to 16.4% on the basis of the application of higher transfer prices.
- Net profit in the first half of 2011 was € 66.0 million, decreasing by 13.5% compared to the same period of 2010. This decline is due to the negative accounting effect from the dollar devaluation and the corporate tax increase. Excluding these two factors, 1H 11 net profit would have increased by 8.3%.

4. CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET June 30	1H 11 € million	1H 10 € million	Year 2010 € million
ASSETS:			
Non-current Assets			
Tangible and intangible assets	81.8	75.5	78.9
Investment in associates	8.6	13.4	7.5
Deferred tax assets	22.8	21.8	24.5
Other non-current assets	14.4	8.2	9.1
	127.6	118.9	119.9
Current assets			
Inventories	18.9	19.6	17.6
Trade and other receivables	1,989.5	1,780.9	2,015.0
Other current assets	61.7	36.3	41.6
Cash and Financial assets	661.5	674.0	586.8
	2,731.6	2,510.9	2,661.0
TOTAL ASSETS	2,859.2	2,629.8	2,780.9
EQUITY AND LIABILITIES:			
Equity	391.7	314.3	341.2
Non-current liabilities			
Financial Debt	31.1	22.6	27.0
Other non-current liabilities	12.2	22.3	16.6
Long term provisions	15.4	16.7	18.2
Current liabilities			
Financial Debt	29.3	5.8	34.3
Trade payable	2,255.8	2,130.2	2,241.0
Other current liabilities	123.7	118.0	102.6
	2,408.8	2,253.9	2,377.9
Total liabilities	2,467.5	2,315.5	2,439.7
TOTAL EQUITY AND LIABILITIES	2,859.2	2,629.8	2,780.9

EQUITY June 30	1H 11 € million	1H 10 € million	Year 2010 € million
Shareholders' funds + retained earnings	416.8	403.6	420.0
Treasury stock	-56.3	-56.3	-56.3
Hedging reserve	22.2	-35.1	5.8
Interim dividends	0.0	0.0	-35.8
Minority Interest	8.9	2.1	7.5
EQUITY	391.7	314.3	341.2

NET CASH POSITION June 30	1H 11 € million	1H 10 € million	Year 2010 € million
Current assets less cash and financial assets	2,070.1	1,836.9	2,074.2
Current liabilities less financial debt	-2,379.5	-2,248.2	-2,343.6
COMMERCIAL WORKING CAPITAL	-309.4	-411.2	-269.3
Financial assets	70.8	66.3	68.0
Cash and cash equivalents	590.7	607.8	518.8
Financial Debt	-60.4	-28.3	-61.3
NET CASH POSITION	601.1	645.7	525.5
NET CASH + COMMERCIAL WORKING CAPITAL	291.7	234.5	256.1

- Over the last 12 months, Equity has increased by € 77.4 million, despite the dividends distributed over the period.
- At June 30, 2011, the net cash position reached € 601.1 million, € 75.6 million higher than at the end of 2010. In July and August the company bought back shares equivalent to 1.03% of total equity.
- In December 2010, the Board of Directors approved an interim dividend of € 0.66 per share out of 2010 results. This dividend was paid on the 19th of January 2011. In February, the company announced a complementary dividend of € 0.68 per share out of 2010 net profit, which was paid in July 2011. Consequently, total dividends paid in 2011 out of 2010 results were € 72.8 million (€ 1.34 per share).

ANNEX: FILINGS WITH CNMV RELEVANT EVENTS AND OTHER COMMUNICATIONS

In the second quarter of 2011, the company filed with the Spanish CNMV the following communications:

- Técnicas Reunidas was awarded a services contract in Russia for LUKOIL's refinery in Volgograd. The contract for the LUKOIL Refinery, one of the ten largest oil companies in the world and the second largest in Russia, consists of the development of the Front End Engineering and Design (FEED) of a hydrocracker complex, which runs on technology by UOP.

Técnicas Reunidas is the engineering and construction company with the most recent experience in the world with these types of units, which are the most technologically complex refining units.

The goal of the project is to endow the refinery with a productive scheme that allows increasing distillation and conversion capacity for crude oils with high sulfur content as well as reducing the deficit of diesel products. Lastly, the units will be adapted for future product specifications.

The design of this complex should be completed by the summer of 2012 and will require more than two hundred thousand man-hours of engineering for Técnicas Reunidas.

The refinery in Volgograd claims a processing capacity of 160,000 bpd of oil (8 million tons per year). The completion of this project will strengthen this refinery's leading position among the Russian refineries, with a high conversion factor of light products.

- Also, TR communicated to the CNMV on the same date that Botas, the Turkish state-owned gas distribution company, awarded Técnicas Reunidas the execution of a natural gas compression station under a Lump-Sum Turnkey Contract.

The contract includes the design and detail engineering, the procurement of all equipment and materials, as well as the construction and the start up support services for the compression station facilities. The project will be completed by the end of 2012.

This is a crucial project for Turkey and a key strategic investment for the supply of gas from producing countries in the Caspian region to the central network in Turkey. Furthermore, in the future this gas could be exported from Turkey to the rest of Europe.

Both awards combined carry an award volume of around 100 million dollars.

- In May, Schrodgers reported to the CNMV that it holds 3.042% of the company's issued share capital.
- On June 22nd, 2011 the General Meeting of the Shareholders of the Company resolved, following a proposal from the Board of Directors and according to the favorable report of the Appointments and Remuneration Commission, to appoint Mr. William Blaine Richardson, as "Other external", and Mr. Pedro Luis Uriarte Santamarina, as "Independent", as new members of the Board of Directors of the Company for the statutory term of five years.
- The same day, the company also filed with the CNMV a communication on the final 2010 dividend payment, approved by the Shareholders Annual General Meeting (AGM). In February, the Board of Directors decided to propose to the AGM the distribution of a total dividend of € 72,8 million (1.34 Euros per share) out of 2010 results.

In July, the company distributed a complementary dividend of € 36,9 million among the shares not held as Treasury Stock amounting to € 0.68 per share.

Also, since the end of the second quarter, the company filed with the Spanish CNMV the following communications:

- Total selected Técnicas Reunidas for the engineering, procurement, construction and commissioning of a new Gasoil Hydrodesulphurization Unit (HDS) for its Normandy Refinery. This contract has been awarded under the EPC Lump Sum Turn Key model and it is worth around € 100 million.

The unit, with a design capacity of 3.840 t/d, is designed to produce desulphurized diesel with just 8 ppm weight sulphur, and will be in operation in 2013.

This unit is a main part of the ambitious Total's Normandy Refinery RN 2012 Project, consisting in adapting the Refinery to the future market conditions. The project is committed to maintaining a significant share of local employment.

The HDS project is a grass roots project to be developed within the refinery limits. The site constraints of a refinery in operation have been fully taken into consideration.

TR has a significant experience in hydrodesulphurization international projects with more than 30 worldwide references and currently 7 units under construction, including one in Saudi Arabia for Total/Saudi Aramco.

This award reflects the trust Total shows in TR's capabilities and the competitiveness of TR in the challenging West European refining market.

Total is one of the largest publicly-traded integrated international oil and gas company and a world-class chemicals manufacturer. Total operates in more than 130 countries and has 93.000 employees.

- Tecnicas Reunidas has been awarded the execution of the expansion of the Binningup Sea Water Desalination Plant in Western Australia, for the WATER CORPORATION, along with Valoriza Agua (a subsidiary of Sacyr Vallehermoso), AJ Lucas and Worley Parsons, forming the consortium "Southern Seawater Alliance". The consortium shares are: 38% for Tecnicas Reunidas, S.A., 38% for Valoriza Agua, and 19% and 5%, respectively for the two Australian partners.

The State Government of Western Australia has announced a \$450AUD million plan (circa 350 million Euros) to double the capacity of its desalination plant near Binningup to secure the future water needs of communities stretching from the Perth metropolitan area to the Goldfields. The expansion would begin delivering water into the "Integrated Water Supply Scheme" that supplies Perth, Mandurah, the Goldfields and other towns in the area by December 2012.

The first stage of the Binningup Desalination Plant has been completed by the same consortium over the last two and a half years at a cost of 955 million Australian Dollars (circa 750 million Euros) on time and under budget, and will be fully operational for 25 years beginning November 2011.

The expanded desalination plant, Southern Seawater Desalination Plant Stage 2, will provide a total 100 hm³ of drinking water per year.

The consortium will be responsible for the design, turnkey construction, operation and maintenance of the plant, including the water pipelines and other infrastructure needed to integrate the desalination plant with the "Integrated Water Supply System".

The Water Corporation is a public company with more than 100 years of experience and 2.500 employees, owned by the Western Australian Government, and whose main activities are the management, supply, capture and treatment of water.