TECNICAS REUNIDAS

NINE MONTH RESULTS
January - September 2010

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ANNEX: Filings with CNMV

1. HIGHLIGHTS

HIGHLIGHTS *January - September*	**9M 10** € million	**9M 09** € million	**Var.** %	**Year 2009** € million
Backlog	**6,302**	**4,923**	***28.0%***	**4,820**
Net Revenues	**2,063**	**1,916**	***7.7%***	**2,634**
EBITDA	**121**	**114**	***6.6%***	**156**
Margin	***5.9%***	***5.9%***		***5.9%***
EBIT	**116**	**108**	***7.2%***	**149**
Margin	***5.6%***	***5.7%***		***5.7%***
Net Profit	**94**	**104**	***-9.6%***	**145**
Net cash position	**511**	**744**	***-31.3%***	**796**

TR BACKLOG REACHES A NEW RECORD THANKS TO THE PROJECT AWARDS OF YANBU AND THE LNG PROJECTS IN CHINA AND CHILE

- **At the end of September 2010, backlog reached a new record level, € 6,302 million, with a growth rate above 30% compared to year end. Awards in the nine months of 2010 were € 3,580 million.**
- **The main new orders booked in the third quarter of the year were: the Yanbu refinery project for Saudi Aramco in Saudi Arabia; the regasification project for Guangdong Zhuhai Golden Bay LNG in China; and the Mejillones LNG tank project for Codelco/GDF Suez in Chile.**
- **In the first nine months of 2010, revenues rose to € 2,063 million, a 7.7% increase compared to the last year.**
- **EBITDA and EBIT grew by 6.6% and 7.2%, respectively, while operating margins stood at similar levels over the period.**
- **Net Profit reached € 94 million, with a 9.6% decrease compared to the first nine months of the previous year. This fall is the result of a corporate tax increase and non recurrent factors, such as a change in sign of the foreign currency gains and losses in transactions and financial expenses related to delayed interests on tax payments.**

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
	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	2010
	Refining Units	Mexico	Pemex	2010
	Phenolics Plant- Kayan**	Saudi Arabia	Sabic	-
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
	Margarita field	Bolivia	Repsol/British Gas/Pan American Energy	2012
	SAS	United Arab Emirates	ADCO	2012
	Medgaz	Algeria	Medgaz	2010
	Mejillones LNG terminal**	Chile	Codelco/GDF Suez	-
Power	Manifa	Saudi Arabia	Saudi Aramco	2012
	Moerdijk	Holland	Essent	2011
	Granadilla II	Spain	Endesa	2011
	Montoir de Bretagne	France	Gaz de France	2010
	Puerto de Barcelona	Spain	Gas Natural	2010
	San Adrian de Besós	Spain	Endesa	2010
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 September, 30th 2010

At the end of September 2010, TR's backlog amounted to € 6,302 million, with a growth rate above 30% compared to December 2009. This level, which sets up a new record for the company, was reached thanks to the important level of awards in the nine months of the year, €3,580 million.

93% of the total backlog corresponds to projects of the Oil and Gas division. Projects in execution on an Open Book (OBE) basis represented 37% of total backlog.

Third quarter backlog additions:

During the first nine months of 2010, TR's order intake amounted to € 3,580 million, 32% higher than the level reached over the whole year 2009.

The main contracts included in the backlog during the third quarter of the year were the following:

- Yanbu project en Saudi Arabia: TR will develop a new refining project for Saudi Aramco, which involves the execution of the engineering, procurement and construction of the coker package for the new Yanbu Export Refinery Project, located in the Red Sea coast. The contract was signed on a Lump Sum Turn Key basis with a value of, approximately, USD 770 million.

  The scope of work includes a delayed coking unit with 114,500 bpd capacity to process vacuum residue from Arabian heavy crude oil and a small stream of heavy hydrocracker purge. This will be one of the biggest delayed coking units in the world. The refinery is scheduled for start up in 2014.

- Zhuhai LNG project in China: TR will lead the development of a new LNG facility for Guangdong Zhuhai Golden Bay LNG, a consortium lead by China National Offshore Oil Corporation (CNOOC). The plant will be built in Zhuhai, in the Guangdong province, in the People's Republic of China.

  The project involves the construction of three LNG tanks, with a capacity of 160,000 cubic metres each, and the construction of a LNG terminal that will produce 3.7 million tons a year. The erection of the facility is expected to take 3 years.

  The contract for TR, in joint venture with Tianchen Engineering Corporation (TCC), covers the design, supply and construction of the three LNG tanks under a Lump Sum Turn Key (LSTK) scheme and additionally, the engineering of the LNG terminal. The contract for the Joint Venture is worth approximately USD 200 million, and TR's share will amount to approximately USD 140 million.

- Mejillones LNG tank project in Chile: TR will construct a LNG storage tank in Mejillones, in the Antofagasta region, in the North of Chile, for GNL Mejillones, a company formed by GDF Suez and Codelco. The contract was signed on a lump sum turnkey basis (LSTK) with an approximately value of USD 140 million. The project will last three years.

TR, as a main and sole contractor, will design and construct a LNG storage tank as well as the connection systems to the LNG terminal. This tank will be of a large size, with a capacity of 175,000 m3, larger than any existing LNG tanks in Spain. In addition, this project will imply relevant technological and construction challenges. The technology will be of “full containment”, which guarantees the highest levels of operational standards and security. Moreover, the tank will be designed to fulfil the demanding requirements derived from the location, one of the areas of the world with more seismic activity and intensity.

3. CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT January - September	9M 10 € million	9M 09 € million	Var. %	Year 2009 € million
Net Revenues	**2,063.3**	**1,915.9**	**7.7%**	**2,634.3**
Other Revenues	14.1	1.4		0.7
Total Income	**2,077.4**	**1,917.3**	**8.3%**	**2,634.9**
Raw materials and consumables	-1,433.5	-1,269.4		-1,805.3
Personnel Costs	-250.5	-234.0		-313.3
Other operating costs	-272.1	-300.2		-360.5
EBITDA	**121.4**	**113.8**	**6.6%**	**155.9**
Amortisation	-5.2	-5.4		-6.9
EBIT	**116.2**	**108.4**	**7.2%**	**149.0**
Financial Income/ expense	-3.2	6.0		12.8
Share in results obtained by associates	-0.8	0.2		-1.1
Profit before tax	**112.2**	**114.6**	**-2.1%**	**160.8**
Income tax	-18.0	-10.4		-15.4
Net Profit	**94.2**	**104.2**	**-9.6%**	**145.4**

3.1 REVENUES

REVENUES BREAKDOWN January - September	9M 10 € million	%	9M 09 € million	%	Var. %	Year 2009 € million
Oil and gas	1,614.8	78.3%	1,599.2	83.5%	1.0%	2,104.9
Power	302.4	14.7%	231.6	12.1%	30.6%	342.6
Infrastructure and industries	146.0	7.1%	85.1	4.4%	71.6%	186.8
Net Revenues	**2,063.3**	**100%**	**1,915.9**	**100%**	**7.7%**	**2,634.3**

In the first nine months of 2010, net revenues amounted to € 2,063 million, 7.7% up compared to the same period of 2009. All company divisions contributed to this growth.

Oil and Gas: From January to September 2010, revenues rose by 1.0% compared to the same period of 2009, representing 78% of total sales. Refining and Petrochemical was the largest contributor to sales.

- Refining and petrochemical. The projects with higher contribution to the first nine month revenue in 2010 were: Sines for Galp Energia (Portugal), Jubail for Saudi Aramco (Saudi Arabia), Khabarovsk for OC Alliance (Russia) and Cartagena for Repsol (Spain).

- Upstream and natural gas. The main project contributor to the revenue in this division was the SAS project for ADCO in Abu Dhabi.

Power: Revenues in this division grew by 30.6%, from € 231.6 million in the first nine months of 2009 to € 302.4 million in the nine months of 2010. This increase was mainly driven by the Moerdijk CCGT project for Essent in Holland, the Manifa project for Saudi Aramco in Saudi Arabia and the Granadilla CCGT project for Endesa in Spain.

Infrastructure and industries: In the first nine months of 2010 Infrastructure and Industries revenues reached € 146.0 million rising 71.6%, due mainly to the execution of the Perth desalination plant in Australia for Water Corporation.

3.2 OPERATING PROFIT

OPERATING MARGINS January - September	9M 10 € million	9M 09 € million	Var. %	Year 2009 € million
EBITDA	121.4	113.8	6.6%	155.9
Margin	*5.9%*	*5.9%*		*5.9%*
EBIT	116.2	108.4	7.2%	149.0
Margin	*5.6%*	*5.7%*		*5.7%*

EBIT BREAKDOWN January - September	9M 10 € million	9M 09 € million	Var. %	Year 2009 € million
Operating Profit from divisions	162.1	150.5	7.7%	204.9
Costs not assigned to divisions	-45.9	-42.1	9.0%	-55.9
Operating profit (EBIT)	**116.2**	**108.4**	**7.2%**	**149.0**

- In the first nine months of 2010, EBITDA and EBIT reached € 121.4 million and € 116.2 million respectively, that represented a 6.6% and 7.2% growth over the same period of 2009.
- TR's EBITDA and EBIT margins were 5.9% and 5.6%, respectively, standing at similar levels as in 2009.

3.3 NET PROFIT

NET PROFIT January - September	9M 10 € million	9M 09 € million	Var. %	Year 2009 € million
Net Profit	**94.2**	**104.2**	**-9.6%**	**145.4**
Margin	**4.6%**	**5.4%**		**5.5%**

Financial Income/Expense January - September	9M 10 € million	9M 09 € million	Year 2009 € million
Net financial Income *	5.7	5.0	6.4
Delayed interests - Extraordinary Financial Expenses	-3.9	0.0	0.0
Gains/losses in transactions in foreing currency	-5.0	1.0	6.4
Financial Income/Expense	**-3.2**	**6.0**	**12.8**

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

In the first nine months of 2010, Net Profit stood at € 94.2 million, declining by 9.6% compared to the same period of last year.

Net financial result

In the first nine months of 2010, net financial result decreased to a € 3.2 million loss from a € 6.0 million financial income the year before.

This decrease is the result of:

- the weakness of the Dollar versus the Euro in the third quarter of 2010 which led to the devaluation of the net cash position denominated in dollars as of September 30th 2010 and generated net losses in transactions in foreign currency, that contributed negatively to the financial result;

- the incorporation as financial expenses of € 3,9 million in delayed interests related to the tax audit.

Taxes

TR recognised a tax expense of € 18.0 million in the first nine months of 2010, that compares to € 10.4 million registered in the first nine months of 2009.

On the 10th of September 2010 the Company announced the completion of the Tax Audit for the period 2004 – 2007.

The tax assessments resulting from the Audit established the need to increase the transfer prices of the resources assigned to the JVs, called UTEs (Union Temporal de Empresas), in which TR participate. The application of these new transfer prices resulted in an additional tax payment of € 22.6 million for the period, as well as interests for the delayed payment of € 3.6 million.

Moreover, the application for the years 2008 and 2009 of transfer prices consistent with the ones applied for the audit period would result in a € 13.1 million corporate tax expense increase.

The company booked the tax assessments amount, as well as the estimated tax increase for the period of 2008 and 2009, as a reduction in retained earnings. This accounting treatment follows the fact that the interpretation applied by the tax audit has led to transfer prices different from those historically used by the company and which were approved over the last 24 years in different audits by the Spanish Tax Agency (“Agencia Tributaria”).

However, the delayed interests, which are considered as a deductible expense, are registered as a financial expense for the current year.

To sum up, the accounting treatment of the taxes for the period 2004 – 2009, is the following:

CONCEPT	AMOUNT € MILLION	ACCOUNTING TREATMENT
2004 - 2007 Assessments	22.6	Retained earnings reduction
Delayed interests	3.6	2010 Financial expense
2008 - 2009 Corporate tax increase	13.1	Retained earnings reduction

4. CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET September 30, 2010	9M 10 € million	9M 09 € million	Year 2009 € million
ASSETS:			
Non-current Assets			
Tangible and intangible assets	77.7	70.2	72.7
Investment in associates	13.6	11.4	12.2
Deferred tax assets	22.8	20.7	22.7
Other non-current assets	17.8	13.9	8.0
	131.9	**116.2**	**115.6**
Current assets			
Inventories	19.5	20.6	19.6
Trade and other receivables	1,969.2	1,276.5	1,235.2
Other current assets	49.8	59.9	50.5
Cash and Financial assets	559.2	764.0	822.7
	2,597.7	**2,121.1**	**2,128.0**
TOTAL ASSETS	**2,729.6**	**2,237.3**	**2,243.6**
EQUITY AND LIABILITIES:			
Equity	**336.5**	**322.9**	**317.4**
Non-current liabilities	**39.3**	**31.8**	**34.8**
Financial Debt	24.6	18.8	19.3
Other non-current liabilities	14.6	13.0	15.5
Long term provisions	**15.7**	**26.2**	**24.5**
Current liabilities			
Financial Debt	23.3	1.2	7.0
Trade payable	2,229.6	1,813.3	1,771.8
Other current liabilities	85.3	41.9	88.0
	2,338.2	**1,856.4**	**1,866.8**
Total liabilities	**2,393.1**	**1,914.4**	**1,926.1**
TOTAL EQUITY AND LIABILITIES	**2,729.6**	**2,237.3**	**2,243.6**

EQUITY September 30, 2010	9M 10 € million	9M 09 € million	Year 2009 € million
Shareholders' funds + retained earnings	380.6	349.0	390.8
Treasury stock	-56.3	-56.3	-56.3
Hedging reserve	10.9	22.6	12.2
Interim dividends	0.0	0.0	-35.8
Minority Interest	1.3	7.6	6.5
EQUITY	**336.5**	**322.9**	**317.4**

NET CASH POSITION September 30, 2010	9M 10 € million	9M 09 € million	Year 2009 € million
Current assets less cash and financial assets	2,038.5	1,357.1	1,305.2
Current liabilities less financial debt	-2,314.9	-1,855.2	-1,859.8
COMMERCIAL WORKING CAPITAL	**-276.4**	**-498.0**	**-554.6**
Financial assets	65.1	37.0	31.5
Cash and cash equivalents	494.2	727.0	791.2
Financial Debt	-47.9	-20.1	-26.3
NET CASH POSITION	**511.3**	**743.9**	**796.5**
NET CASH + COMMERCIAL WORKING CAPITAL	**234.9**	**245.8**	**241.9**

- At the end of September 2010, Equity was € 13.6 million higher than at the same day of last year, despite the retained earnings reduction related to the corporate tax charge and the distributed dividends over the period.

- As of September 2010, net cash reached € 511.3 million, a lower level than in the same period of 2009 (€ 743.9 million), as no cash advances were received from the two large projects included in the backlog in the first quarter, due to the fact that this projects were signed in “Open Book” basis.

- In January 2010, the company paid out an interim dividend of € 0.66 per share out of 2009 profits. In April, the Shareholders Annual General Meeting (AGM) approved the distribution of a total dividend of € 72,8 million (€ 1.34 per share); that represented a 4% increase over the dividend of previous year.

  In July, the company distributed a complementary dividend of € 36.9 million among the shares not held as Treasury stock. The dividend amount was € 0.68 per share.

ANNEX: FILINGS WITH CNMV RELEVANT EVENTS AND OTHER COMMUNICATIONS

The company filed with the Spanish CNMV the following communications:

- Técnicas Reunidas will develop a new refining project in Saudi Arabia. The project involves the execution of the engineering, procurement and construction of the coker package for the new Yanbu Export Refinery Project. The contract will be signed on a Lump Sum Turn Key basis.

  The project's total investment was divided over several packages. TR has been awarded Package 1, the coker package, which is one of the critical units in this significant project. The value of the contract is approximately USD 770 million.

  The scope of work includes a delayed coking unit with 114,500 bpd capacity to process vacuum residue from Arabian heavy crude oil and a small stream of heavy hydrocracker purge. This will be one of the biggest delayed coking units in the world. Additionally, TR will construct a mercaptan removal unit of 12,000 bpd LPG treatment capacity.

  The Yanbu refinery is the second grassroots 400,000-barrel per day (bpd) refinery to be built in the Kingdom of Saudi Arabia. The refinery will produce high-quality, ultra-low sulphur refined products that will meet current and future product requirements. This refinery will greatly assist Saudi Arabia in its goal of ramping up the country's domestic refining capacity from the existing 2.1 million bpd to about 3.8 million bpd. The refinery is scheduled for start up in 2014.

  This is TR's seventh project awarded by Saudi Aramco which reflects the client's satisfaction in TR capabilities in complex project execution.

- In September 2010, Técnicas Reunidas submited a communication on taxes, announcing that Técnicas Reunidas Group had completed the Tax Audit for the period 2004-2007.

  Técnicas Reunidas and the "Agencia Tributaria" (Tax Agency) agreed to increase the historically accepted transfer prices that TR and its affiliates invoice in exchange of the resources ceded to the "UTEs" ("Union Temporal de Empresas") in which they participate. Therefore, the taxable income for the audited period after applying the agreed transfer prices increases and results in 22,6 million Euros additional tax payment, together with 3,6 millions Euros of delayed interests.

Técnicas Reunidas estimates that after applying the agreed transfer prices, the average tax rate for the years 2008 and 2009 would increase by 7%, approximately.

- TR will lead the development of a new LNG facility to be erected in Zhuhai, in the Guangdong province, in the People's Republic of China for Guangdong Zhuhai Golden Bay LNG, a consortium lead by China National Offshore Oil Corporation (CNOOC). The total investment of this development will be approximately USD 600 million. The project encompasses the erection of three LNG tanks with a capacity of 160,000 cubic metres each and a LNG terminal that will produce 3.7 million tons a year. The construction of the facility will last 3 years. This project is the first phase of a larger investment program to be undertaken in different phases.

  The contract for TR, in joint venture with Tianchen Engineering Corporation (TCC), involves the design, supply and construction of the three LNG tanks under a Lump Sum Turn Key (LSTK) scheme and additionally, the engineering of the LNG terminal. The contract for the Joint Venture is worth approximately USD 200 million, and TR's share will amount to approximately USD 140 million.

  TR, with this new award, demonstrates its leadership in technology and delivery of LNG terminals and tanks throughout the world. This is a significant project award for TR as the company has been committed and working for more than 20 years and has completed more than 20 projects in China.

  CNOOC is a state-owned oil company and one of the three major national oil companies of China. The company is mainly focused on the exploration, exploitation and development of crude oil and natural gas offshore.