2007 RESULTS
January - December 2007
(Unaudited figures)

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1. HIGHLIGHTS

HIGHLIGHTS *January - December*	Year 2007 € million	Year 2006* € million	Var. %
Backlog	**4,713**	**3,040**	***55%***
Net Revenues	**2,005**	**1,235**	***62%***
EBITDA	**113**	**67**	***70%***
Margin	***5.7%***	***5.4%***	
EBIT	**108**	**63**	***72%***
Margin	***5.4%***	***5.1%***	
Net Profit	**108**	**65**	***65%***
Net cash position	**422**	**318**	***33%***

* Adjusted figures

- **In 2007, Net Profit reached € 108 million from € 65 million in 2006, which represents an increase of 65%.**
- **Year 2007 awards amounted € 3,582 million, a record figure for the company. Backlog rose to € 4,713 million, with a growth of 55% compared to December 2006. The most relevant awards in the fourth quarter were the Khabarovsk refining project for OC Alliance in Russia and the Mejillones regasification project for Codelco and Suez in Chile.**
- **Revenues grew by 62%, amounting to € 2,005 million, driven by growth in the oil and gas division.**
- **Over the period, EBITDA and EBIT grew by 70% and 72%, respectively, as a consequence of the significant increase in sales and margin expansion. For the year 2007, EBITDA margin stood at 5.7%, from a 5.4% of year 2006.**
- **The company net cash position reached € 422 million at the end 2007 that compares to € 318 million for the same date in 2006. Dividends paid in 2007 were € 35.8 million.**

2. BACKLOG

	Project	Country	Client	Estimated Delivery
Refining and Petrochemical	Khabarovsk	Russia	OC Alliance	2011
	Sines*	Portugal	Galp	2011
	Hydrocraker Complex -Cartagena*	Spain	Repsol	2010
	Borouge Project*	United Arabs Emirates	ADNOC/ Borealis	2010
	Dung Quat	Vietnam	Petrovietnam	2009
	Refining Units	Chile	Enap	2009
	Phenolics Plant- Kayan*	Saudi Arabia	Sabic	2009
	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
	Kirikkale	Turkey	Tüpras	2008
	Polymer Plant	Spain	Sabic	2008
Upstream & Gas	Mejillones	Chile	Codelco/Suez	2009
	Medgaz	Algeria	Medgaz	2009
	Saih Rawl (compression plant)	Oman	PDO	2009
	Ju'aymah	Saudi Arabia	Saudi Aramco	2008
	Hawiyah	Saudi Arabia	Saudi Aramco	2008
	TFT	Algeria	Total/Repsol/Sonatrach	2008
	RKF	Algeria	Cepsa/Sonatrach	2008
	Telemetry	Kuwait	KOC	2008
	GC-28	Kuwait	KOC	2008
	Extremadura	Spain	Green Fuel	2010
	Montoir de Bretagne	France	Gaz de France	2010
	Granadilla II	Spain	Endesa	2010
	Puerto de Barcelona	Spain	Gas Natural	2010
	San Adrian de Besos	Spain	Endesa	2010
	Saih Rawl (power plant)	Oman	PDO	2009
	Escatron II	Spain	Global 3	2009
	Barranco de Tirajana III	Spain	Endesa	2009

* Project in execution on an open book basis

Backlog at year end, 2007

The company achieved a record backlog figure of € 4,713 million, of which 88% corresponded to the oil and gas division and 12% to the power division. Infrastructure and industries contracts are not included in the backlog calculation. From December 2006, the backlog grew by 55%.

The awards of the year 2007 amounted to € 3,582 million. The most relevant contracts added to the backlog during the full year were:

- The Kayan petrochemical project for SABIC in Saudi Arabia,
- The Borouge petrochemical project for ADNOC in Abu Dhabi,
- The Sines refining project for Galp in Portugal,
- Two combined cycles (CCGT's) for Endesa and one for Gas Natural in Spain, as well as one for Gaz de France in Montoir de Bretagne, France.
- The Khabarovsk refining project for OC Alliance in Russia and
- The Mejillones regasification project for Codelco and Suez in Chile.

The Khabarovsk refining project and the Mejillones regasification plant were awarded during the fourth quarter of 2007:

- Oil Company Alliance (OC Alliance) awarded to TR the execution of a new refining complex at its Khabarovsk site in the Russian Federation. The construction of this complex will increase total production capacity of the refinery from 3.2 to 3.5 million tons per year and annual production capacity of diesel and low sulphur kerosene by 1.6 million tons. Total investment was initially valued at $ 800 million. The project includes the engineering, supply and construction of all process units: hydrocracking, hydrotreatment, hydrogen, amine regeneration, sour water and sulphur recovery, as well as the auxiliary systems of the complex. The project was started in October and it is forecast to be completed at the beginning of 2011.

- LNG Mejillones, a Joint Venture formed by Suez and Codelco signed with TR the contract for the construction of a Liquefied Natural Gas regasification terminal in Mejillones, in the North of Chile. This contract implies the conversion to a Lump Sum Turn Key (LSTK) of a former contract signed in February 2007, which covered the Front End Engineering and Design (FEED), the purchase of the main equipment and the investment estimate. The project scope includes the engineering, supply of equipment and materias, as well as the construction of the regasification plant, whose capacity will be 235,000 Nm3/hour. Total contract value for TR is € 225 million. The plant will provide natural gas to be used mostly by the mining sector. Project execution is expected to last two years.

At the end of December 2007, the backlog includes four projects signed on an open book basis that are expected to convert to lump sum contracts in the future: the Cartagena project in Spain (converted in January, 2008), the Kayan project in Saudi Arabia, the Borouge project in Abu Dhabi and the Sines project in Portugal. The current backlog includes € 2,824 million, as the company initial estimate of the aggregate value of these four projects.

New projects after December 2007

In January 2008 the company announced the conversion to LSTK of the Cartagena refining project for Repsol. The final contract includes the awarding of two new hydrogen units. The total contract amount for TR is above € 1,000 million.
This project was originally awarded to TR in October 2006. This is the largest industrial investment in Spain to date. The scope of the TR contract includes a 5,500 kt/year distillation unit, a 2,500 kt/year hydrocracker and four 3,000 kt/year hydro-desulphurisation units and two new hydrogen units of 90 kt/year and 50 kt/year. The refinery expansion is scheduled to start operations in 2011.

3. CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT January - December	Year 2007 € million	Year 2006[1] € million	Var. %
Net Revenues	**2,005.2**	**1,234.5**	**62.4%**
Other Revenues	2.3	2.4	
Total Income	**2,007.5**	**1,236.9**	**62.3%**
Raw materials and consumables	-1,379.8	-780.9	**76.7%**
Personnel Costs	-214.0	-165.9	**29.0%**
Other operating costs	-300.4	-223.5	**34.4%**
EBITDA	**113.3**	**66.6**	**70.0%**
Amortisation	-5.3	-3.9	
EBIT	**108.0**	**62.7**	**72.2%**
Financial Income/ expense	6.0	5.2	
Share in results obtained by associates	0.6	0.5	
Profit before tax	**114.6**	**68.4**	**67.7%**
Income tax	-6.7	-2.9	
Net Profit	**107.9**	**65.4**	**65.1%**

[1] Adjusted audited 2006 accounts excluding IPO costs and the profit from the sale of subsidiary

3.1 REVENUES

REVENUES BREAKDOWN January - December	Year 2007 € million	%	Year 2006 € million	%	Var. %
Oil and gas	1,647.1	82%	940.3	76%	75.2%
Power	252.6	13%	200.9	16%	25.7%
Infrastructure and industries	105.5	5%	93.4	8%	13.0%
Net Revenues	**2,005.2**	**100%**	**1,234.5**	**100%**	**62.4%**

Tecnicas Reunidas net revenues grew by 62.4%, reaching € 2,005 million in 2007, with strong performance by all business units:

<u>Oil and Gas</u>: Revenues from January to December 2007 increased by 75.2% compared to the same period the year before, representing 82% of total sales. The refining and petrochemical division continued to be the major contributor to absolute sales growth, although upstream and gas areas are growing at the same pace than the refining and petrochemical division.

- <u>Refining and petrochemical.</u> The major contributors to revenues in the year 2007 were the Rabigh project for Saudi Aramco (Saudi Arabia), and the projects in Mexico, Chile and Vietnam. The Cartagena, Kayan and Borouge projects, all negotiated on an OBE basis, were in their initial phase during 2007, and therefore under a cost reimbursable service contract, with little contribution to sales.

- <u>Upstream and natural gas.</u> During 2007, growth in this division was enhanced by the Saih Rawl project for PDO, in Oman and the Hawiyah project for Saudi Aramco. Also, the Juaymah project in Saudi Arabia, the two projects in Kuwait and the Medgaz project contributed significantly to sales.

Power: Revenues from this division increased by 25.7%, from € 200.9 million in 2006 to € 252.6 million for the same period in 2007. Growth was mainly driven by the power plant of the Saih Rawl project in Oman, the two CCGT projects for Endesa, and the Escatron II project in Spain.

Infrastructure and industries: Revenues in the infrastructure and industry division increased by 13.0%, reaching € 105.5 million in 2007, as a result of a series of new projects starting this year. The major projects contributing to the revenues in the year were a carbon fibre plant for Excel, a copper mine project in Seville and the development of the Santiago's Airport.

3.2 OPERATING PROFIT

OPERATING MARGINS January - December	Year 2007 € million	Year 2006* € million	Var. %
EBITDA	113.3	66.6	70.0%
Margin	*5.7%*	*5.4%*	
EBIT	108.0	62.7	72.2%
Margin	*5.4%*	*5.1%*	

EBIT BREAKDOWN January - December	Year 2007 € million	Year 2006* € million	Var. %
Operating Profit from divisions	149.8	92.1	62.6%
Costs not assigned to divisions	-41.8	-29.4	42.2%
Operating profit (EBIT)	**108.0**	**62.7**	**72.2%**

* Adjusted figures

- In 2007, EBITDA reached € 113.3 million, up 70.0%. Operating profit reached € 108.0 million for 2007, with an increase of 72.2%. These substantial growth rates stemmed from an improvement in margins plus the effect of the fast growing sales.

- Operating margin stood at 5.4% in 2007, from 5.1% in 2006. This 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

Financial Income/Expense January - December	Year 2007 € million	Year 2006 € million
Net financial Income *	8.6	7.5
Gains/losses in transactions in foreing currency	-2.5	-2.3
Financial Income/Expense	**6.0**	**5.2**

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

NET PROFIT January - December	Year 2007 € million	Year 2006* € million	Var. %
Net Profit	**107.9**	**65.4**	**65.1%**
Margin	**5.4%**	**5.3%**	

* Adjusted figures

- Financial results increased from an income of € 5.2 million in year 2006 to an income of € 6.0 million in 2007, due to a smaller impact of the “losses in transactions in foreign currency”.

- Tecnicas Reunidas recognised a tax expense of € 6.7 million in 2007; slightly higher than in 2006, due to a larger contribution of sales on Spanish operations.

- In 2007, Net Profit climbed to € 107.9 million and grew by 65.1%, compared to the same period in 2006, in adjusted terms and Net Margin reached 5.4%.

4. CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET	Dec-07 € million	Dec-06 € million
ASSETS:		
Non-current Assets		
Tangible and intangible assets	46.2	34.6
Investment in associates	7.5	6.0
Deferred tax assets	19.6	18.4
Other non-current assets	6.7	4.6
	80.0	**63.6**
Current assets		
Inventories	9.0	17.9
Trade and other receivables	919.2	718.4
Other current assets	29.1	12.4
Cash and Financial assets	479.8	368.1
	1,437.1	**1,116.9**
TOTAL ASSETS	**1,517.1**	**1,180.5**
EQUITY AND LIABILITIES:		
Equity	**231.9**	**162.2**
Non-current liabilities	**23.2**	**34.5**
Financial Debt	11.9	2.0
Other non-current liabilities	11.2	32.5
Long term provisions	**25.1**	**23.1**
Current liabilities		
Financial Debt	46.1	48.3
Accounts payable	1,134.6	883.3
Other current liabilities	56.2	52.2
	1,236.9	**983.8**
Total liabilities	**1,285.2**	**1,018.3**
TOTAL EQUITY AND LIABILITIES	**1,517.1**	**1,180.5**

EQUITY	Dec-07 € million	Dec-06 € million
Shareholders' funds + retained profit	232.8	167.2
Hedging reserve	19.0	9.1
Interim dividends	-25.2	-16.8
Minority Interest	5.2	2.6
EQUITY	**231.9**	**162.2**

NET CASH POSITION	Dec-07 € million	Dec-06 € million
Current assets less cash and financial assets	957.3	748.7
Current liabilities less financial debt	-1,190.8	-935.5
COMMERCIAL WORKING CAPITAL	**-233.5**	**-186.8**
Financial assets	17.7	21.6
Cash and cash equivalents	462.0	346.6
Financial Debt	-58.0	-50.3
NET CASH POSITION	**421.8**	**317.8**
NET CASH + COMMERCIAL WORKING CAPITAL	**188.3**	**131.0**

- Net cash reached € 422 million at the end of December 2007, representing an increase of € 104 million, compared to the level of December 2006.

- In the year 2007, the company paid dividends amounting to € 35.8 million, which represents about 50% of 2006 net profit (€ 71.6 million of non – adjusted figure).

- Equity grew by € 69.7 million from December 2006 to December 2007. This increase came from the net profit generated by the operations, which outweighed the distribution of the complementary dividend.

ANNEX: RELEVANT EVENTS AND OTHER COMMUNICATIONS TO THE CNMV

In the fourth quarter of 2007, the company filed with the Spanish CNMV the communications on the contract of Khabarovsk project in Russia and a Board of Directors' approval.

- Oil Company Alliance (OC Alliance) signed a contract with TR for the execution of a new refining complex at its Khabarovsk site in the Russian Federation. The construction of this complex will increase total production capacity of the refinery from 3.2 to 3.5 million tons per year and annual production capacity of diesel and low sulphur kerosene by 1.6 million tons. The total customer's investment is initially valued at $ 800 million. The project includes the engineering, supply and construction of all process units: hydrocracking, hydrotreatment, hydrogen, amine regeneration, acid water and sulphur recovery, as well as the auxiliary systems of the complex. The project was started in October and it is forecast to be completed at beginning of 2011.

- The company reported to the CNMV that the Board of Directors approved on the 14th of December 2007, the distribution of an interim dividend of €0.45 per share as advanced payment, accountable for the 2007 Profit and Loss Account to be approved in the next Shareholders Annual General Meeting. The total interim dividend amounted to €25,153,200 and was paid on the 22nd of January 2008.

Moreover, since the end of the fourth quarter, the company also filed with the Spanish CNMV the communication of the conversion of the Cartagena's refinery project as well as other Board of Directors' approvals.

- TR reached an agreement with REPSOL-YPF for the continuation of its project for the expansion of Cartagena's refinery under a lump sum turnkey scheme. The total contract amount for TR is € 1,000 million.
  TR started work on this project in October 2006 under a reimbursable contract that included the option of converting into a lump sum turnkey project after the eighth month. This is the largest industrial investment in Spain to date. It includes a 5.500 kt/year crude oil unit, a 2.500 kt/year hydrocracker and four 3.000 kt/year hydro-desulphurisation units. The new units will boost the refinery's distillation capacity from the current 5.500 kt/year to 11.000 kt/year. The new complex will be one of the most technologically advanced refineries in Europe. Moreover, TR and Repsol also agreed to incorporate two new hydrogen units of 90 kt/year and 50 kt/year in the scope of the project.

  The project's purpose, as part of REPSOL-YPF's latest refining investment plan, is to provide the refinery with a production system that will boost

distillation and conversion capacity for processing crude oils high in sulphur content, reduce the deficit of gasoil and adapt the units to future product specifications. The expansion of the refinery is scheduled to start the operations in 2011.
Once the investment is finished, more than 50% of the production of the complex will be medium distillates, mainly gasoils, contributing significantly to reduce the growing deficit of these products in Spain.

- The company reported to the CNMV that it had signed a contract with Merrill Lynch Capital Markets España, in order to improve the liquidity of TR's stocks approved in the Annual Shareholders Meeting; with a maximum limit of 5% of stockholders' equity in treasury stock, it will have an initial duration up to 31st December 2008, and may be tacitly extended for successive annual periods. Furthermore, TR also filed a communication on the 11th of February 2007 to the CNMV when it reached 1% of stockholders' equity in treasury stock.

- The company also reported the Board of Director's approval regarding the amendment of the Internal Code of Conduct. Its text is available to all Shareholders through the Técnicas Reunidas web site.