TECNICAS REUNIDAS

FIRST QUARTER RESULTS
January – March 2014

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1. HIGHLIGHTS

HIGHLIGHTS *January - March*	**1Q 2014** € million	**1Q 2013** € million	**Var.** %	**Year 2013** € million
Backlog*	6,242	6,616	*-5.7%*	6,377
Net Revenues	728	691	*5.4%*	2,846
EBITDA	40	40	*0.0%*	157
Margin	*5.5%*	*5.8%*		*5.5%*
EBIT	37	38	*-1.7%*	148
Margin	*5.1%*	*5.5%*		*5.2%*
Net Profit	32	35	*-7.4%*	128
Margin	*4.4%*	*5.0%*		*4.5%*
Net cash position	532	728	*-26.9%*	629

*** YTD Backlog calculated as 1Q 2014 plus the award of Jazan IGCC project amounts to € 7,465 million.**

€ 1,755 MILLION OF ORDER INTAKE YTD

- **First quarter backlog amounted to € 6,242 million. Main projects added during the 1Q 2014 were: the refining project for North West Redwater in Canada and the power plant for Ashuganj Power Company in Bangladesh. The company will book a new award in the 2Q 2014 backlog: the Utilities & Common Area package of the Jazan IGCC project for Saudi Aramco. Order intake YTD amounts to € 1,755 million.**
- **1Q 2014 revenues rose by 5% to € 728 million, compared to € 691 million revenues in 1Q 2013.**
- **EBITDA and EBIT were € 40 million and € 37 million respectively, with little movement from the year before. Net profit amounted to € 32 million in 1Q 2014, compared to € 35 million in 1Q 2013.**
- **As of March 31st 2014, the net cash position of the company stood at € 532 million, lower than the level of December 2013, as no major downpayments were received in the quarter. In January the company paid € 35.8 million as an interim dividend.**

2. BACKLOG

	Project	Country	Client	Estimated Delivery
Refining and Petrochemical	Sturgeon refinery	Canada	North West Redwater Partnership	2017
	Star refinery	Turkey	SOCAR	2017
	Jazan refinery	Saudi Arabia	Saudi Aramco	2017
	Talara refinery*	Peru	Petroperu	2017
	Antwerp refinery	Belgium	Total	2016
	Refining units Cochabamba and Santa Cruz	Bolivia	YPFB Refinación S.A.	2016
	Volgograd refinery	Russia	Lukoil	2015
	Sadara	Saudi Arabia	Saudi Aramco/Dow Chemical	2015
	Kemya	Saudi Arabia	Sabic/Exxon Mobil	2015
	TAN project	Australia	Yara Int./Orica Lim./Apache Corp.	2015
	Petrokemya	Saudi Arabia	SABIC	2014
	Paracas chemical complex*	Peru	Nitratos del Peru	2014
	Yanbu refinery	Saudi Arabia	Saudi Aramco	2014
	Izmit refinery	Turkey	Tüpras	2014
	Normandy refinery	France	Total	2014
	Khabarovsk	Russia	OC Alliance	2014
	Al Jubail refinery**	Saudi Arabia	SATORP	-
Upstream & Gas	Oil sands	Canada	Canadian Natural Resources	2016
	Perla Offshore	Venezuela	Repsol/Eni	2016
	Touat gas field	Algeria	GDF Suez / Sonatrach	2016
	Margarita field II	Bolivia	Repsol/British Gas/Pan American Energy	2015
	Gran Chaco	Bolivia	YPFB	2014
	Shah	United Arab Emirates	ADNOC	2014
	Mejillones LNG tank	Chile	Codelco/GDF Suez	2014
	Zhuhai LNG terminal**	China	Guangdong Zhuhai Golden Bay LNG	-
	SAS**	United Arab Emirates	ADCO	-
Power	Ashuganj	Bangladesh	Ashunganj Power Station Company	2016
	Manifa**	Saudi Arabia	Saudi Aramco	-
I & I	Southern Sea Water Desalination Plant stage 2	Australia	Water Corporation	2014

* 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 March, 31st 2014

At the end of March of 2014, Tecnicas Reunidas' (TR) backlog amounted to € 6,242 million, a 6% decrease compared to the backlog at the end of March 2013.

As of March 31st 2014, 19% of the backlog was represented by projects that remain on an Open Book (OBE) phase, which are pending to be converted.

In the first quarter of 2014, the company booked € 532 million as order intake, which includes the following projects:

- North West Redwater Partnership awarded TR a CAD 580 million contract for the execution of a light ends recovery unit and a sulphur plant for the first phase of the North West Redwater Sturgeon refinery in Alberta, Canada. The North West Redwater Partnership is a joint venture between Canadian Natural Resources Limited and North West Upgrading Inc., where each company owns a 50% stake in the partnership.

  The scope of the project includes: engineering, procurement, construction and pre-commissioning up to mechanical completion of the light ends recovery unit and the sulphur plant of the first phase of the bitumen refinery.

  The process capacity of the refinery is approximately 78,000 barrels per day (bpd) of synbit / dilbit bitumen blend into high value products such as stabilized sweet naphtha, ultra-low sulphur diesel (ULSD), low sulphur vacuum gas oil (VGO), liquid petroleum gas (LPG), hydrogen (H_2) and high purity carbon dioxide (CO_2).

- Ashuganj Power Station Company Ltd (APSCL) chose TR, to lead a consortium together with TSK, as main contractor for the engineering, procurement of equipment and materials, construction and start-up of a new power plant in Ashuganj, Bangladesh. The contract was awarded as a lump sum turn key (LSTK) project for an approximate value of USD 300 million.

  The purpose of the project is the construction of a new natural gas combined cycle plant for the production of electricity, which shall be exported via the local distribution network.

  The combined cycle includes a gas turbine, a recovery boiler and a steam turbine in addition to all the auxiliary systems. The generation capacity of the plant will be 380 MW.

Since the close of the 1Q 2014, the company has been awarded another relevant project to be included in the 2Q 2014 backlog:

- Saudi Aramco, selected TR for the execution of the utilities and common area project within the Jazan IGCC (Integrated Gasification Combined Cycle) complex located in Jazan Province, a South Western region of Saudi Arabia.

  The Jazan IGCC complex will convert vacuum residue, to be produced in the adjacent Jazan refinery, into synthesis gas (syngas). This complex will be the largest gasifier-based power facility in the world.

  The scope of the project awarded under a LSTK contract, includes the services for engineering, procurement, construction, precommissioning and commissioning support for the facilities. The contract has a value of approximately USD 1,700 million and the facilities will be operational in 2017.

  The gasification unit will have a capacity of 2,110,000 Nm3/h of syngas that will be evenly used to produce purified hydrogen for the refinery and to fuel a combined cycle facility producing utilities and power for the refinery and export to the national grid. Total output of the plant will be of approximately 2,400 MW.

3. CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT January - March	1Q 2014 € million	1Q 2013 € million	Var. %	Year 2013 € million
Net Revenues	**728.4**	**690.9**	**5.4%**	**2,846.1**
Other Revenues	0.9	2.9		7.7
Total Income	**729.2**	**693.7**	**5.1%**	**2,853.8**
Raw materials and consumables	-447.6	-408.4		-1,945.6
Personnel Costs	-121.9	-107.8		-439.1
Other operating costs	-119.7	-137.5		-311.8
EBITDA	**40.0**	**40.0**	**0.0%**	**157.3**
Amortisation	-2.8	-2.1		-9.2
EBIT	**37.2**	**37.8**	**-1.7%**	**148.0**
Financial Income/ expense	1.3	2.5		5.3
Share in results obtained by associates	-0.1	0.1		-2.8
Profit before tax	**38.4**	**40.4**	**-5.2%**	**150.5**
Income taxes	-6.1	-5.6		-22.0
Net Profit	**32.3**	**34.8**	**-7.4%**	**128.5**

3.1 REVENUES

REVENUES BREAKDOWN January - March	1Q 2014 € million	%	1Q 2013 € million	%	Var. %	Year 2013 € million
Oil and gas	694.8	95.4%	622.1	90.0%	11.7%	2,613.8
Power	13.8	1.9%	23.5	3.4%	-41.5%	79.1
Infrastructure and industries	19.8	2.7%	45.2	6.5%	-56.3%	153.2
Net Revenues	**728.4**	**100%**	**690.9**	**100%**	**5.4%**	**2,846.1**

In 1Q 2014, net revenues grew by 5.4% to € 728.4 million, compared to € 690.9 million of revenues in 1Q 2013.

Oil and Gas: sales on this division went up by 11.7% and reached € 694.8 million in 1Q 14. The oil and gas revenues represented 95% of total sales and from it, the Refining and Petrochemical division remains the largest contributor.

- Refining and petrochemical: The projects with the largest contribution to sales were: Izmit for Tüpras (Turkey), TAN for Yara/Orica/Apache (Australia), three projects in Sadara for Dow Chemical / Saudi Aramco (Saudi Arabia), Kemya for Sabic / Exxon Mobil (Saudi Arabia), Petrokemya for Sabic (Saudi Arabia), Volgograd for Lukoil (Russia), Optara for Total (Belgium).

- Upstream and natural gas: The key contribution projects to sales were the oil sands project for CNR (Canada), the Gran Chaco project for YPFB (Bolivia) and the Shah project for ADCO (Abu Dhabi).

Power: the power division revenues fell from € 23.5 million in 1Q 2013, to € 13.8 million in 1Q 2014 as a consequence of the delay in new project awards.

Infrastructure and industries: revenues on this division decreased by 56.3% in 1Q 2014 to € 19.8 million, compared to € 45.2 million in 1Q 2013. Desalinisation remains as the major contributor to the sales of the division.

3.2 OPERATING PROFIT

OPERATING MARGINS January - March	1Q 2014 € million	1Q 2013 € million	Var. %	Year 2013 € million
EBITDA	40.0	40.0	0.0%	157.3
Margin	*5.5%*	*5.8%*		*5.5%*
EBIT	37.2	37.8	-1.7%	148.0
Margin	*5.1%*	*5.5%*		*5.2%*

EBIT BREAKDOWN January - March	1Q 2014 € million	1Q 2013 € million	Var. %	Year 2013 € million
Operating Profit from divisions	54.0	54.1	-0.3%	215.3
Costs not assigned to divisions	-16.8	-16.3	3.1%	-67.2
Operating profit (EBIT)	**37.2**	**37.8**	**-1.7%**	**148.0**

- In 1Q 2014, EBITDA and EBIT were € 40.0 million and € 37.2 million respectively, with little movement from the year before.
- EBITDA and EBIT margins went down to 5.5% and 5.1% respectively, as a result of the minor Jubail projects contribution.

3.3 NET PROFIT

NET PROFIT January - March	1Q 2014 € million	1Q 2013 € million	Var. %	Year 2013 € million
Net Profit	**32.3**	**34.8**	**-7.4%**	**128.5**
Margin	**4.4%**	**5.0%**		**4.5%**

Financial Income/Expense January - March	1Q 2014 € million	1Q 2013 € million	Year 2013 € million
Net financial Income *	1.6	1.9	7.1
Gains/losses in transactions in foreign currency	-0.3	0.6	-1.8
Financial Income/Expense	**1.3**	**2.5**	**5.3**

* Financial income less financial expenditure

In 1Q 2014, net profit was € 32.3 million, 7.4% lower than 1Q 2013, as a result of:

- Smaller net financial result: Net financial income went down from € 2.5 million in 1Q 2013 to € 1.3 million in 1Q 2014, because of the negative impact of losses in transactions in foreign currency.

- Higher tax rate: In 1Q 2014 the company paid a tax expense of € 6.1 million, compared to € 5.6 million paid in 1Q 2013.

4. CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET March 31, 2014	1Q 2014 € million	1Q 2013 € million	Year 2013 € million
ASSETS:			
Non-current Assets			
Tangible and intangible assets	113.8	105.8	112.8
Investment in associates	13.9	8.6	12.4
Deferred tax assets	38.9	32.8	37.9
Other non-current assets	13.8	25.1	11.1
	180.4	**172.3**	**174.1**
Current assets			
Inventories	24.7	26.2	24.3
Trade and other receivables	1,567.3	2,037.5	1,461.1
Other current assets	40.1	62.4	44.8
Cash and Financial assets	560.1	762.5	658.7
	2,192.2	**2,888.6**	**2,188.8**
TOTAL ASSETS	**2,372.6**	**3,060.9**	**2,362.9**
EQUITY AND LIABILITIES:			
Equity	**434.8**	**440.4**	**438.5**
Non-current liabilities	**48.7**	**48.3**	**54.6**
Financial Debt	27.0	32.3	25.9
Other non-current liabilities	21.7	16.0	28.7
Long term provisions	**21.7**	**23.5**	**29.6**
Current liabilities			
Financial Debt	0.9	2.0	4.1
Trade payable	1,740.8	2,428.4	1,729.8
Other current liabilities	125.8	118.3	106.3
	1,867.5	**2,548.7**	**1,840.2**
Total liabilities	**1,937.8**	**2,620.5**	**1,924.4**
TOTAL EQUITY AND LIABILITIES	**2,372.6**	**3,060.9**	**2,362.9**

EQUITY March 31, 2014	1Q 2014 € million	1Q 2013 € million	Year 2013 € million
Shareholders' funds + retained earnings	503.2	494.9	548.1
Treasury stock	-73.4	-73.4	-73.4
Hedging reserve	1.2	8.7	-4.4
Interim dividends	0.0	0.0	-35.8
Minority Interest	3.8	10.2	4.0
EQUITY	**434.8**	**440.4**	**438.5**

NET CASH POSITION March 31, 2014	**1Q 2014 € million**	**1Q 2013 € million**	**Year 2013 € million**
Current assets less cash and financial assets	1,632.1	2,126.1	1,530.2
Current liabilities less financial debt	-1,866.6	-2,546.7	-1,836.1
COMMERCIAL WORKING CAPITAL	**-234.4**	**-420.6**	**-306.0**
Financial assets	63.1	60.5	67.9
Cash and cash equivalents	497.1	702.0	590.8
Financial Debt	-27.9	-34.3	-30.0
NET CASH POSITION	**532.2**	**728.2**	**628.6**
NET CASH + COMMERCIAL WORKING CAPITAL	**297.8**	**307.6**	**322.7**

- From March 2013 to March 2014, equity of the company declined by € 5.6 million, as a result of the distribution of dividends and the reduction of the value of some group affiliates, due to the depreciation of the currencies in which their equities are nominated.

- As of March 31st, 2014, the net cash position closed at € 532.2 million, lower to the net cash of December 2013, as the company did not receive any major downpayment in the quarter.

- In December 2013, the Board of Directors approved an interim dividend of € 0.667 per share, out of 2013 results, which was paid on 16th January 2014. In February, the company announced a complementary dividend of € 0.7285 per share, out of 2013 results, to be paid in July 2014. Consequently, total dividends to be paid in 2014, out of 2013 results, will be € 75 million, which represents the same absolute amount compared to the dividends paid in 2013.

ANNEX: FILINGS WITH CNMV RELEVANT EVENTS AND OTHER COMMUNICATIONS

In the first quarter of 2014, the company filed with the Spanish CNMV the following communications:

- Tecnicas Reunidas was awarded a CAD 580 million contract by North West Redwater Partnership for the execution of the units 50 (light ends recovery) and 60 (sulphur plant) for the first phase of the North West Redwater Sturgeon refinery in Alberta, Canada. The North West Redwater Partnership is a joint venture between North West Upgrading Inc. and Canadian Natural Resources Limited, where each company owns a 50% stake in the partnership.

  The scope of the project includes engineering, procurement, construction and pre-commissioning up to mechanical completion of the light ends recovery unit and the sulphur plant of the first phase of the bitumen refinery. The refinery will have the capacity to process approximately 78,000 barrels per day (bpd) of synbit / dilbit bitumen blend into high value products (stabilized sweet naphtha, ultra-low sulphur diesel (ULSD) low sulphur vacuum gas oil (VGO), liquid petroleum gas (LPG), hydrogen (H_2) and high purity carbon dioxide (CO_2)). The client will use commercially proven, conventional processes to refine the bitumen, incorporating gasification and a carbon capture and storage solution, setting an international precedent for responsible development.

  The project is located in Sturgeon County, approximately 45 km northeast of Edmonton in the Alberta Industrial Heartland area. The Heartland area offers proximity to existing and planned bitumen and heavy oil feedstock pipelines from three major oil sand producing regions (Athabasca, Cold Lake and Peace River). It is also in proximity to distribution infrastructure for finished products, allowing access to Alberta, North America and world markets.

  TR is now executing another turnkey project in Canada for engineering, procurement and construction of bitumen upgrading facilities, north of Fort McMurray, Alberta.

  The project for North West Redwater Partnership, as a result of TR´s successful worldwide expansion, will considerably strengthen the company´s position in Canada.

- Ashuganj Power Station Company Ltd (APSCL) chose TR to lead a consortium together with TSK, as main contractor for the engineering, procurement of equipment and materials, construction and start-up of a new power plant in Ashuganj, Bangladesh. The contract was awarded as a turn-key project for an approximate value of USD 300 million.

  The purpose of the project is the construction of a new natural gas combined cycle plant for the production of electricity, which shall be exported via the local distribution network. The combined cycle includes a gas turbine, a recovery boiler and a steam turbine in addition to all the auxiliary systems. The plant will generate 380 MW.

  The project is financed by the Asian Development Bank.

  APSCL has nearly 1,000 MW already installed to which the power from the Asjuganj North plant shall be added in approximately 30 months. The tender for the award of this project was initiated by the state-owned company, ASPCL, in mid-2012 and more than 15 other companies or consortiums participated.

  Ashuganj Power Station Company Ltd. is 99% state-owned by the Bangladesh Power Development Board, belonging to the Bangladesh Ministry for Generation, Energy and Mineral Resources. The company started their operations on 1st June 2003 and is today responsible for the generation of electrical energy in the Ashuganj region, 100 km northeast of the capital, Daca.

- In February, the company reported to the CNMV that the Board of Directors resolved to propose at the Ordinary General Shareholders Meeting a complementary dividend of 0.7285 Euros per share, out of 2013 results. Total dividends of 2014, out of 2013 results, would be € 75 million.

Also, since the end of the first quarter, the company filed with the Spanish CNMV the following communication:

- Saudi Aramco, the state-owned oil company from Saudi Arabia selected TR for the execution of the Utilities & Common Area project within the Jazan IGCC (Integrated Gasification Combined Cycle) complex in the Jazan Economic City, located in Jazan Province, a south western region of Saudi Arabia. The Jazan IGCC complex, which is to become the largest gasifier-based power facility in the world, will convert vacuum residue, to be produced in the adjacent Jazan refinery, into synthesis gas (syngas). TR is currently executing two large projects in the 400,000 bpd Jazan Refinery.

The gasification unit will have a capacity of 2,110,000 Nm3/h of syngas that will be evenly used to produce purified hydrogen for the refinery and to fuel a combined cycle facility producing utilities and power for the refinery and to export to the national grid. Total output of the plant will be of approximately 2,400 MW.

The scope of the project awarded to TR includes the development of the utilities and off-sites facilities for the IGCC complex under a Lump Sum Turn Key (LSTK) contract covering the services for engineering, procurement, construction, precommissioning and commissioning support for the facilities.

The contract has a value of approximately USD 1,700 million and the facilities will be operational in 2017. This is the second contract for the power generation business of TR with Saudi Aramco, after the successful completion of the Manifa cogeneration plant.

The award of this contract underlines the prominent competitive position of TR in the Saudi market, and it reinforces the trust that TR continues to build with one of its key clients, Saudi Aramco, with whom TR has been working continuously since 2003.

Saudi Aramco is a fully integrated, global petroleum enterprise and is the world leader in hydrocarbons exploration, production, refining, distribution, shipping and marketing, and the world's top exporter of crude oil and natural gas liquids (NGLs). Saudi Aramco manages proven crude oil reserves of 260.2 billion barrels, with an average crude oil production of 10 million barrels per day. With headquarters in Dhahran (Saudi Arabia), Saudi Aramco has subsidiaries and affiliates in Saudi Arabia, China, Japan, India, the Netherlands, the Republic of Korea, Singapore, the United Arab Emirates, Egypt, the United Kingdom and the United States.