TECNICAS REUNIDAS

NINE MONTH RESULTS
January – September 2013

CONTENTS:

1. HIGHLIGHTS

HIGHLIGHTS *January - September*	9M 2013 € million	9M 2012 € million	Var. %	Year 2012 € million
Backlog	7,069	6,182	*14.3%*	6,205
Net Revenues	2,105	1,945	*8.2%*	2,652
EBITDA	117	116	*0.8%*	157
Margin	*5.6%*	*6.0%*		*5.9%*
EBIT	110	110	*0.2%*	149
Margin	*5.2%*	*5.7%*		*5.6%*
Net Profit	102	101	*0.3%*	136
Margin	*4.8%*	*5.2%*		*5.1%*
Net cash position	562	711	*-21.0%*	646

NEW RECORD BACKLOG

- **Tecnicas Reunidas' backlog continued its growth, reaching a new record high of € 7,069 million, an increase of 14% with respect to September last year. The main new projects added to the backlog in the third quarter were the Touat gas field in Algeria and the Santa Cruz and Cochabamba refining units in Bolivia. As of September, 30th, 2013, the level of awards climbed to € 3,251 million.**
- **Revenues rose 8% in 9M 2013 to € 2,105 million, leant on the high contribution from the projects awarded in 2012.**
- **In 9M 2013, EBITDA and EBIT remain stable compared to the year before, amounting to € 117 million and € 110 million respectively. EBIT margin stood at 5,2%, similar to 1H 2013 margin.**
- **Net profit was € 102 million in 9M 2013, the same as the previous year.**
- **Since no major downpayments were booked in the last two quarters, net cash position decreased to € 562 million at September 30th 2013.**

2. BACKLOG

	Project	Country	Client	Estimated Delivery
Refining and Petrochemical	Star refinery	Turkey	SOCAR	2017
	Jazan	Saudi Arabia	Saudi Aramco	2017
	Antwerp refinery	Belgium	Total	2016
	Perla Offshore	Venezuela	Repsol/Eni	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
	Talara Refinery*	Peru	Petroperu	2014
	Izmit Refinery	Turkey	Tüpras	2014
	Normandy Refinery	France	Total	2014
	Khabarovsk	Russia	OC Alliance	2013
	Al Jubail Refinery**	Saudi Arabia	SATORP	-
Upstream & Gas	Oil sands	Canada	Canadian Natural Resources	2016
	Touat gas field	Algeria	Sonatrach / GDF Suez	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	2013
	Zhuhai LNG terminal	China	Guangdong Zhuhai Golden Bay LNG	2013
	SAS	United Arab Emirates	ADCO	2013
	Gas compression station**	Turkey	Botas	-
Power	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 September, 30th 2013

At the end of September of 2013, Tecnicas Reunidas' (TR) backlog closed at € 7,069 million, an increase of 14% with respect to September last year. This figure meant a new record level for the company, continuing its positive trend for the third consecutive quarter.

As of September, 30th, 2013, 18% of the backlog was represented by projects on an Open Book (OBE) phase which are still pending to be converted.

9M 2013 awards climbed to € 3,251 million. 3Q 2013 order intake includes the following projects:

- YPFB Refinación S.A. awarded to TR two different FEED + EPC (Engineering, Procurement and Construction) contracts in Bolivia. The first project, involves the construction of a new naphta isomerization unit for the Guillermo Elder Bell (Santa Cruz) refinery, to increase high octane rich in aromatics gasoline production, as well as a new naphta hydrotreating unit for removing impurities, mainly sulphur. The second project, involves the construction of a new reforming catalytic unit for the Cochabamba refinery, to produce stabilized reforming, as well as a new hydrotreating unit for removing sulphur, nitrogenous and oxygenating, heavy metals and other impurities. The value of these two contracts is around USD 200 million.

- Groupement Touat Gaz signed a contract with TR to develop a hydrocarbons complex facilities near the city of Adrar located in the South West of Algeria. The project includes engineering, procurement, construction, commissioning and startup of gas processing facilities with an estimated capacity of sale gas of 13MMm3/d.

  The facilities include the development of 25 wells and the associated gas gathering systems, condensate processing units, compressors, Hg, H2S and CO2 removal units, as well as dehydration units, residual waters treatment unit and all auxiliary systems required for the complex independent operation, including its own electric power generation and drinkable water production.

  The project will start operations at the end of 2016 and the value of the contract is USD 1,000 million.

After the 3Q 2013, the company was awarded other relevant project:

- In November 2013, OAO LUKOIL, through its subsidiary OOO LUKOIL – Nizhegorodnefteorgsintez LLC, awarded to TR a contract for the Front End Engineering and Design (FEED) of the new Heavy Oil Residue Hydrocracking Complex to be built at the Nizhny Novgorod Refinery located in Kstovo, Russia.

  The project is part of the LUKOIL's plans for modernization of two of its Russian refineries to boost output of gasoline. At the 17 million tonne/year (tpy) Nizhny Novgorod refinery, Lukoil plans a residue hydrocracking unit with an expanded capacity of 4.8 million tpy. In addition, the expansion of the refinery includes the following units: diesel hydrotreating, naphta hydrotreating, hydrogen production, sulfur recovery, sour water stripper and amine regeneration, as well as the offsites and utilities.

Russia is a priority market for TR. This contract is the second project awarded by LUKOIL to TR reflecting the trust on TR capabilities and competitiveness. This award reinforces TR's commitment with LUKOIL as well its presence and cooperation with Russian Design Institutes.

3. CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATE January - September	9M 2013 € million	9M 2012 € million	Var. %	Year 2012 € million
Net Revenues	**2,105.2**	**1,945.1**	**8.2%**	**2,652.4**
Other Revenues	2.0	2.7		4.2
Total Income	**2,107.3**	**1,947.8**	**8.2%**	**2,656.5**
Raw materials and consumables	-1,436.1	-1,233.0		-1,768.2
Personnel Costs	-323.5	-279.6		-381.5
Other operating costs	-230.4	-318.9		-349.8
EBITDA	**117.3**	**116.4**	**0.8%**	**157.0**
Amortisation	-7.1	-6.4		-8.3
EBIT	**110.2**	**110.0**	**0.2%**	**148.7**
Financial Income/ expense	6.4	6.6		8.3
Share in results obtained by associat	0.7	0.0		0.8
Profit before tax	**117.3**	**116.5**	**0.6%**	**157.8**
Income taxes	-15.7	-15.2		-21.5
Net Profit	**101.6**	**101.3**	**0.3%**	**136.3**

3.1 REVENUES

REVENUES BREAKDOWN January - September	9M 2013 € million	%	9M 2012 € million	%	Var. %	Year 2012 € million
Oil and gas	1,941.8	92.2%	1,674.9	86.1%	15.9%	2,298.3
Power	61.6	2.9%	111.0	5.7%	-44.5%	132.1
Infrastructure and industries	101.9	4.8%	159.2	8.2%	-36.0%	222.0
Net Revenues	**2,105.2**	**100%**	**1,945.1**	**100%**	**8.2%**	**2,652.4**

In 9M 2013, net revenues rose 8.2% to € 2,105.2 million, benefited from higher contribution from the projects awarded in 2012.

Oil and Gas: sales of the division grew by 16% in 9M 2013 and stood for 92% of total sales. The Refining and Petrochemical division remains the largest contributor to sales.

- Refining and petrochemical: The biggest contribution to sales came from the following projects: 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), Yanbu for Saudi Aramco (Saudi Arabia), Volgograd for Lukoil (Russia) and Khabarovsk for OC Alliance (Russia).

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

Power: revenues in this division dropped by 44.5%, from € 111.0 million in 9M 2012, to € 61.6 million in 9M 2013, as a consequence of the delay of expected awards.

Infrastructure and industries: 9M 2013 revenues amounted to € 101.9 million, a 36% decrease compared to 9M 2012. The main contributor to this division was the desalination project in Australia for Water Corporation.

3.2 OPERATING PROFIT

OPERATING MARGINS January - September	9M 2013 € million	9M 2012 € million	Var. %	Year 2012 € million
EBITDA	117.3	116.4	0.8%	157.0
Margin	*5.6%*	*6.0%*		*5.9%*
EBIT	110.2	110.0	0.2%	148.7
Margin	*5.2%*	*5.7%*		*5.6%*

EBIT BREAKDOWN January - September	9M 2013 € million	9M 2012 € million	Var. %	Year 2012 € million
Operating Profit from divisions	161.8	157.0	3.1%	211.9
Costs not assigned to divisions	-51.6	-47.0	9.8%	-63.2
Operating profit (EBIT)	**110.2**	**110.0**	**0.2%**	**148.7**

- In 9M 2013, EBITDA and EBIT remain stable compared to the year before, amounting to € 117.3 million and € 110.2 million respectively.

- EBIT margin stood at 5.2%, similar to 1H 2013. As the company explained in 1H 2013 results, lower margin is mainly due to lower than commonly expected synergies in the projects awarded in the Jubail region, Saudi Arabia.

3.3 NET PROFIT

NET PROFIT January - September	9M 2013 € million	9M 2012 € million	Var. %	Year 2012 € million
Net Profit	**101.6**	**101.3**	**0.3%**	**136.3**
Margin	**4.8%**	**5.2%**		**5.1%**

Financial Income/Expense January - September	9M 2013 € million	9M 2012 € million	Year 2012 € million
Net financial Income *	6.6	6.3	8.4
Gains/losses in transactions in foreign currency	-0.2	0.2	-0.1
Financial Income/Expense	**6.4**	**6.6**	**8.3**

***** Financial income less financial expenditure

In 9M 2013, net profit stood at € 101.6 million, a similar level compared to net profit of 9M 2012. Net profit collected the effects of:

- Net financial result: net financial result came off € 6.4 million in 9M 2013. Yields from net cash were € 6.6 million, higher than the year before; while losses in transactions in foreign currency were € 0.2 million, due to a weaker USD.

- Tax rate: in 9M 2013, the company paid a tax expense of € 15.7 million, compared to a € 15.2 million expense in 9M 2012.

4. CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET September 30, 2013	9M 2013 € million	9M 2012 € million	Year 2012 € million
ASSETS:			
Non-current Assets			
Tangible and intangible assets	108.4	94.8	105.0
Investment in associates	9.1	7.1	8.0
Deferred tax assets	38.3	29.3	28.4
Other non-current assets	11.3	21.4	20.7
	167.0	**152.5**	**162.2**
Current assets			
Inventories	26.0	23.7	25.7
Trade and other receivables	1,600.1	1,858.5	1,731.2
Other current assets	90.5	55.5	46.9
Cash and Financial assets	593.3	742.7	680.2
	2,309.9	**2,680.5**	**2,484.0**
TOTAL ASSETS	**2,476.9**	**2,833.0**	**2,646.2**
EQUITY AND LIABILITIES:			
Equity	**478.6**	**437.8**	**443.7**
Non-current liabilities	**49.2**	**52.9**	**44.7**
Financial Debt	31.1	31.1	30.7
Other non-current liabilities	18.1	21.8	14.0
Long term provisions	**22.5**	**19.2**	**26.1**
Current liabilities			
Financial Debt	0.6	0.5	3.1
Trade payable	1,861.0	2,251.4	2,039.8
Other current liabilities	65.1	71.2	88.9
	1,926.7	**2,323.1**	**2,131.8**
Total liabilities	**1,998.4**	**2,395.2**	**2,202.5**
TOTAL EQUITY AND LIABILITIES	**2,476.9**	**2,833.0**	**2,646.2**

EQUITY September 30, 2013	9M 2013 € million	9M 2012 € million	Year 2012 € million
Shareholders' funds + retained earnings	546.4	503.5	527.3
Treasury stock	-73.4	-73.4	-73.4
Hedging reserve	1.9	-3.8	14.0
Interim dividends	0.0	0.0	-35.8
Minority Interest	3.6	11.5	11.6
EQUITY	**478.6**	**437.8**	**443.7**

NET CASH POSITION September 30, 2013	9M 2013 € million	9M 2012 € million	Year 2012 € million
Current assets less cash and financial assets	1,716.6	1,937.8	1,803.7
Current liabilities less financial debt	-1,926.1	-2,322.6	-2,128.6
COMMERCIAL WORKING CAPITAL	**-209.5**	**-384.8**	**-324.9**
Financial assets	59.0	54.7	63.4
Cash and cash equivalents	534.3	688.0	616.8
Financial Debt	-31.6	-31.6	-33.8
NET CASH POSITION	**561.7**	**711.1**	**646.4**
NET CASH + COMMERCIAL WORKING CAPITAL	**352.2**	**326.3**	**321.5**

- From September 2012 to September 2013, Equity of the company improved by € 40.8 million, due to larger non distributed earnings and a positive evolution of the hedging reserve.

- As of September 30th, 2013, the net cash position was € 562 million, € 84.7 million lower than December 2012's cash, as no major downpayments were booked in the last two quarters.

- In December 2012, the Board of Directors approved an interim dividend of € 0.667 per share, out of 2012 results which was paid on the 17th of January 2013. In February, the company announced a complementary dividend of € 0.7285 per share, out of 2012 results, which was paid on July, 11th 2013. Consequently, total dividends paid in 2013, out of 2012 results, were € 75 million (€ 1.3955 per share), that represents a 3% increase compared to the dividends paid in 2012.

ANNEX: FILINGS WITH CNMV RELEVANT EVENTS AND OTHER COMMUNICATIONS

In the third quarter of 2013, the company filed with the Spanish CNMV the following communication:

- TR and Groupement Touat Gaz signed a USD 1,000 million contract to develop hydrocarbons complex facilities near the city of Adrar located in the South West of Algeria. Groupement Touat Gaz is a partnership of the Algerian government-owned company SONATRACH and the French company GDF SUEZ. The Touat Project includes engineering, procurement, construction, commissioning and startup of gas processing facilities with an estimated capacity of sale gas of 13 MMm3/d at the end of 2016.

  Gas production and processing facilities are located in Sbaa basin 1,500 km southwards from Algiers and to the North East of Adrar city. The area of the future complex covers about 80 hectares and the area of activity (blocks 352a and 353a) is approximately of 3,000 square kilometers.

  The facilities include the development of 25 wells and the associated gas gathering systems over more than 150 km, condensate processing units, compressors, Hg, H_2S and CO_2 removal units, as well as dehydration units, residual waters treatment unit and all auxiliary systems required for the complex independent operation including its own electric power generation and drinkable water production.

  These facilities will be connected to the upcoming gas pipeline GR-5 towards the National Gas Dispatching Center of Hassi R'Mel (CNDG) where gas will be collected and sent to local and international clients.

  This contract award is the result of 40 years' successful cooperation of TR Group for Algerian facilities and energy resources development. TR has considered this project as a key objective for its consolidation within the country. Thanks to this contract award, TR maintains an active and permanent presence in the country since 2000 after having completed such successful projects as Med Gaz, RKF, GTFT and Ourhoud.