TECNICAS REUNIDAS

2009 RESULTS
January - December 2009

CONTENTS:

2009 Annual Accounts audited by Price Waterhouse Coopers

1. HIGHLIGHTS

HIGHLIGHTS *January - December*	Year 2009 € million	Year 2008 € million	Var. %
Backlog	4,820	4,711	*2.3%*
Net Revenues	2,634	2,479	*6.3%*
EBITDA	156	148	*5.1%*
Margin	*5.9%*	*6.0%*	
EBIT	149	142	*4.7%*
Margin	*5.7%*	*5.7%*	
Net Profit	145	140	*3.6%*
Net cash position	796	575	*38.4%*

In the year 2009:

- **Backlog reached € 4,820 million, with a 2.3% increase compared to December 2008. Awards were € 2,661 million.**
- **The main backlog additions booked in the fourth quarter were: a crude distillation unit for Samir in Morocco and the conversion to LSTK of the Sines project for Galp Energia in Portugal.**
- **TR also announced the selection for two other major projects to be booked in 2010: the Upgrading Project of the Izmit Refinery for Tüpras in Turkey and the Modernization Project of the Talara Refinery for Petroperu in Peru.**
- **Revenues grew by 6% to € 2,634 million, driven by growth in all divisions.**
- **EBITDA and EBIT increased by 5.1% and 4.7% respectively, on the basis of growing sales and stable margins.**
- **Net Profit reached € 145 million, with an increase of 4% compared to the year before.**
- **At year end, Net Cash Position improved to a record level of € 796 million, which compares to € 575 million in 2008.**

2. BACKLOG

	Project	Country	Client	Estimated Delivery
Refining and Petrochemical	Al Jubail Refinery	Saudi Arabia	SATORP	2013
	Hydrocraker - Danube*	Hungary	MOL	2011
	Elefsina	Greece	Hellenic Petroleum	2011
	Khabarovsk	Russia	OC Alliance	2011
	Sines	Portugal	Galp	2011
	Hydrocraker Complex -Cartagena	Spain	Repsol	2011
	Crude Distillation Unit Mohammedia	Morocco	Samir	2011
	Alkylation unit	Chile	Enap	2010
	Borouge Project	United Arab Emirates	ADNOC/ Borealis	2010
	Phenolics Plant- Kayan	Saudi Arabia	Sabic	2010
	Refining Units	Mexico	Pemex	2010
	Nitric Acid Plant**	Chile	Enaex	-
	Dung Quat**	Vietnam	Petrovietnam	-
Upstream & Gas	SAS	United Arab Emirates	ADCO	2012
	Gascan LNG Terminal	Spain	Gascan	2011
	Medgaz	Algeria	Medgaz	2010
	Mejillones**	Chile	Codelco/Suez	-
	Saih Rawl (compression plant)**	Oman	PDO	-
	TFT**	Algeria	Total/Repsol/Sonatrach	-
	RKF**	Algeria	Cepsa/Sonatrach	-
	Hawiyah**	Saudi Arabia	Saudi Aramco	-
	Telemetry**	Kuwait	KOC	-
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
	Saih Rawl (power plant)**	Oman	PDO	-
	Escatron II**	Spain	Global 3	-
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 December, 31st

At the end of December 2009, TR's backlog reached € 4,820 million. The oil and gas division represented 85% of the backlog. The power division and the major projects from the Infrastructure and Industries division, such as desalination plants, accounted for 15%.

The most relevant contracts included in the backlog during the year 2009 were:

- the Al Jubail Refinery project for SATORP in Saudi Arabia
- the SAS project for ADCO in United Arab Emirates
- the conversion to LSTK of the Sines project for Galp Energia in Portugal
- the crude distillation unit for Samir in Morocco.

4Q 09 Backlog changes:

In the fourth quarter of 2009, the main changes in the backlog were the following:

- SAMIR, Societé Anonyme Marocaine de l'Industrie du Raffinage, awarded to TR a project, on a Lump Sum Turn Key basis, for its refinery in Mohammedia, Morocco. The project includes the Engineering, Purchase of Equipment and Materials, and Construction of: a crude distillation unit, a kerosene treatment unit and the revamping of an LPG Merox unit. TR was previously working with Samir under a services contract regarding this project.

- Técnicas Reunidas (TR) and Galp Energia signed the Lump Sum Turn Key (LSTK) conversion agreement for the Sines refinery project in Portugal. The project includes new refining units and revamping of distillation units. The contract final value was € 1,080 million. TR started working on this project in the third quarter of 2007.

- Other minor projects were added to the backlog, while the Alpetrol project was removed in accordance with the client. There was a net positive effect to the backlog from all these projects. These projects are small in size but have high technological content:

    - FEED services for a nitric acid and ammonium nitrate plant in Egypt
    - engineering services for a thermo solar plant in Spain
    - engineering and procurement services for a gas recovery system in Saudi Arabia
    - engineering and procurement services for an offshore platform in Spain.

Year to Date order intake:

Year to date, the company has already announced two major projects:

- Tüpras and Técnicas Reunidas signed a contract for the engineering and construction of the Izmit refinery upgrading project. The contract was signed and launched in mid January. The project was awarded under the "open book" scheme, with future conversion to "lump sum turn key" (LSTK). According to the customer's estimates, the project involves an investment of more than USD 1,500 millions.

  The project includes as main units: hydrocracker, vacuum, coker, naphtha hydrogenation, diesel desulfurization, hydrogen, sulphur recovery, amine regeneration and a sour water stripping unit.

- Petroperu selected Técnicas Reunidas for the development of the Talara Refinery Modernization Project in Peru. Contract negotiations are currently in an advanced stage. The project will be executed under the "open book" scheme, with expected future conversion to "lump sum turn key" (LSTK). According to initial estimates indicated by the client, the total investment of the project will be around USD 1,177 millions.

  The project covers:
  - the revamping, expansion and modification of existing process units: distillation unit, catalytic cracking unit and vacuum distillate unit;
  - the construction of new processing units: hydrotreating of diesel, hydrotreating of cracking naphtha, vacuum distillate, flexicoker, hydrotreating of naphtha, catalytic reformation of naphtha, hydrogen plant, sulphuric acid recovering plant, amines plant and cogeneration plant; and
  - the revamping of auxiliary services facilities.

3. CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT January - December	Year 2009 € million	Year 2008 € million	Var. %
Net Revenues	**2,634.3**	**2,478.5**	**6.3%**
Other Revenues	0.6	8.4	
Total Income	**2,634.9**	**2,486.9**	**6.0%**
Raw materials and consumables	-1,805.3	-1,681.7	
Personnel Costs	-313.3	-273.8	
Other operating costs	-360.5	-383.0	
EBITDA	**155.9**	**148.3**	**5.1%**
Amortisation	-6.9	-6.0	
EBIT	**149.0**	**142.3**	**4.7%**
Financial Income/ expense	12.8	4.7	
Share in results obtained by associates	-1.1	0.5	
Profit before tax	**160.8**	**147.5**	**9.0%**
Income tax	-15.4	-7.2	
Net Profit	**145.4**	**140.3**	**3.6%**

3.1 REVENUES

REVENUES BREAKDOWN January - December	Year 2009 € million	%	Year 2008 € million	%	Var. %
Oil and gas	2,104.9	80%	2,044.7	82%	2.9%
Power	342.6	13%	326.4	13%	5.0%
Infrastructure and industries	186.8	7%	107.4	4%	73.9%
Net Revenues	**2,634.3**	**100%**	**2,478.5**	**100%**	**6.3%**

In the year 2009, Net Revenues increased by 6.3%, reaching € 2,634.3 million, driven by growth in all divisions.

Oil and Gas: from January to December 2009, revenues grew by 2.9% compared to the same period 2008, accounting for 80% of total sales. The refining and petrochemical division was the major contributor to sales.

- Refining and petrochemical. The main contributors to 2009 revenues were the Kayan project for SABIC (Saudi Arabia), the Borouge project for ADNOC (UAE), the Cartagena project for Repsol (Spain) and the Sines project for Galp Energia (Portugal).

- Upstream and natural gas. Income in this division was driven by the SAS project for ADCO in Abu Dhabi, the Mejillones project for Codelco / Suez in Chile and the Saih Rawl project for PDO in Oman.

Power: Revenues from this division increased by 5.0%, from € 326.4 million in the 2008 to € 342.6 million in 2009. The main contributors to sales were the Manifa project for Saudi Aramco in Saudi Arabia, the Montoire CCGT for Gaz de France in Bretagne, the Moerdijk CCGT for Essent in Holland and several CCGT projects in Spain.

Infrastructure and industries**:** Revenues in the infrastructure and industries division grew by 73.9% reaching € 186.8 million in 2009 due to the progress of its major project, the desalination plant in Australia, as well as a minor reclassification of certain activities into the industries segment.

3.2 OPERATING PROFIT

OPERATING MARGINS January - December	Year 2009 € million	Year 2008 € million	Var. %
EBITDA	155.9	148.3	5.1%
Margin	*5.9%*	*6.0%*	
EBIT	149.0	142.3	4.7%
Margin	*5.7%*	*5.7%*	

EBIT BREAKDOWN January - December	Year 2009 € million	Year 2008 € million	Var. %
Operating Profit from divisions	205.0	198.5	3.3%
Costs not assigned to divisions	-55.9	-56.2	-0.5%
Operating profit (EBIT)	**149.0**	**142.3**	**4.7%**

- In 2009, EBITDA and EBIT reached € 155.9 million and € 149.0 million respectively, with a 5.1% and 4.7% increase over the same period of 2008.
- Operating margin for the Group stood at 5.7% in 2009.
- 2009 overheads were slightly below the 2008 level. This improvement shows the company effort in cost control during the period, despite the increase in project bidding and execution.

3.3 NET PROFIT

NET PROFIT January - December	Year 2009 € million	Year 2008 € million	Var. %
Net Profit	**145.4**	**140.3**	**3.6%**
Margin	**5.5%**	**5.7%**	

Financial Income/Expense January - December	Year 2009 € million	Year 2008 € million
Net financial Income *	6.4	12.1
Gains/losses in transactions in foreing currency	6.4	-7.4
Financial Income/Expense	**12.8**	**4.7**

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

In 2009, Net Profit rose by 3.6%, reaching a level of € 145.4 million.

- Net financial income increased from € 4.7 million in 2008 to € 12.8 million in 2009. The strength of the Dollar versus the Euro in the fourth quarter of 2009 led to the revaluation of the net cash position denominated in dollars as of December 31st 2009 and generated net gains in transactions in foreign currency, which contributed significantly to the financial result improvement.

- The company recognised a tax expense of € 15.4 million in 2009, which represents a tax rate of 9.6%.

4. CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET December 31, 2009	Year 2009 € million	Year 2008 € million
ASSETS:		
Non-current Assets		
Tangible and intangible assets	72.7	61.3
Investment in associates	12.2	11.5
Deferred tax assets	22.7	26.6
Other non-current assets	8.0	15.8
	115.6	**115.1**
Current assets		
Inventories	19.6	13.7
Trade and other receivables	1,235.2	1,422.8
Other current assets	50.5	16.6
Cash and Financial assets	822.7	638.5
	2,128.0	**2,091.6**
TOTAL ASSETS	**2,243.6**	**2,206.7**
EQUITY AND LIABILITIES:		
Equity	**317.4**	**225.6**
Non-current liabilities	**34.8**	**43.7**
Financial Debt	19.3	16.2
Other non-current liabilities	15.5	27.5
Long term provisions	**24.5**	**24.1**
Current liabilities		
Financial Debt	7.0	46.9
Trade payable	1,771.8	1,765.4
Other current liabilities	88.0	100.9
	1,866.8	**1,913.2**
Total liabilities	**1,926.1**	**1,981.1**
TOTAL EQUITY AND LIABILITIES	**2,243.6**	**2,206.7**

EQUITY December 31, 2009	Year 2009 € million	Year 2008 € million
Shareholders' funds + retained profit	390.8	317.6
Treasury stock	-56.3	-55.6
Hedging reserve	12.2	-9.3
Interim dividends	-35.8	-34.8
Minority Interest	6.5	7.7
EQUITY	**317.4**	**225.6**

NET CASH POSITION December 31, 2009	Year 2009 € million	Year 2008 € million
Current assets less cash and financial assets	1,305.2	1,453.1
Current liabilities less financial debt	-1,859.8	-1,866.3
COMMERCIAL WORKING CAPITAL	**-554.6**	**-413.2**
Financial assets	31.5	34.1
Cash and cash equivalents	791.2	604.3
Financial Debt	-26.3	-63.1
NET CASH POSITION	**796.5**	**575.4**
NET CASH + COMMERCIAL WORKING CAPITAL	**241.9**	**162.2**

In 2009, the company has continued to strengthen its financial profile, increasing its equity and cash holdings while keeping its stated dividend policy:

- Equity increased by € 91.8 million over the last year. This increase came mostly from the net profit generated during the year as well as the recognition of a positive hedging reserve.

- As of December 2009, Net Cash reached € 796.5 million with a growth of € 221 million compared to last year.

- In January 2009, the company paid out an interim dividend of € 34.8 million, and in July, the company distributed a complementary dividend of € 35.3 million. Total dividends paid in 2009, out of 2008 results were 70.1 million (€ 1.29 per share among the shares not held as Treasury Stock), in line with the company dividend policy. This dividend represented an increase of 33% compared to the dividend paid in 2008.

- In December 2009, the Board of Directors approved an interim dividend of 0.66 Euros per share out of 2009 results. This dividend was paid on the 12th of January 2010. In February, the company announced a complementary dividend of 0.68 Euros per share out of 2009 results. Total dividends of 2010 out of 2009 results would be 72.8 million that represents a 4% increase over the dividend of last year.

ANNEX: FILINGS WITH CNMV RELEVANT EVENTS AND OTHER COMMUNICATIONS

The company filed with the Spanish CNMV the following communications:

- Tüpras selected Técnicas Reunidas for the engineering and construction of the Izmit refinery upgrading project. According to the customer's estimates, the project involves an investment of more than USD 1,500 millions. The project was awarded under the "open book" model, with future conversion to "lump sum turn key".

  The purpose of this project is to increase the refinery distillation and conversion capacity for processing high sulphur content crude oils, to reduce the deficit of gasoil and to adapt the refinery units to the EU environmental specifications.

  The project will include as main units: hydrocracker (8,000 m3/d), vacuum (7,500 m3/d), coker (8,200 m3/d), naphtha hydrogenation (1,100 m3/d), diesel desulfurization (4,400 m3/d), hydrogen (100,000 Nm3/h), sulphur recovery (2x180 T/d), amine regeneration (6,720-10,000 t/d) and a sour water stripping unit (2,280 – 4,000 t/d).

  TR has worked previously for Tüpras during the period of 1999 – 2006; this award by the Turkish company, confirms its full confidence on the Spanish technology.

- Petroperú selected Técnicas Reunidas for the development of the Talara Refinery Modernization Project in Peru. The project was awarded under the "Open Book" model, with expected future conversion to "lump sum turn key" (LSTK). According to initial estimates indicated by the client, the total investment of the project will be around USD 1,177 millions.

  The purpose of the Talara Refinery Modernization project is to produce fuels, diesel and gasoline, that fulfil the new Peruvian environmental requirements (a maximum sulphur content of 50 ppm), at competitive prices. The project will further enhance added value from the operation of Talara Refinery by increasing the production of mid distillates and allowing the flexibility to process a heavier crude slate. The modernization project will also increase total distillation capacity from 62,000 to 95,000 barrels of oil per day.

The project covers:

- the revamping, expansion and modification of existing process units: distillation unit, catalytic cracking unit and vacuum distillate unit
- the construction of new processing units: hydrotreating of diesel, hydrotreating of cracking naphtha, vacuum distillate, flexicoker, hydrotreating of naphtha, catalytic reformation of naphtha, hydrogen plant, sulphuric acid recovering plant, amines plant and cogeneration plant
- the revamping and modifications of auxiliary services facilities.

The Talara Refinery Modernization Project is a very significant project for TR from a qualitative point of view, as the flexicoker unit that is included in the Talara modernization project will be the seventh of its kind in the world. This will be the second flexicoker developed by TR, the second company in the world to design this kind of advanced unit. With this new award, our company reinforces its global position as supplier of top end refining technological know-how.

- The company reported to the CNMV that the Board of Directors approved on the 15th of December 2009, the distribution of an interim dividend of €0.66 per share as advanced payment, accountable for the 2009 Profit and Loss Account to be approved in the next Shareholders Annual General Meeting. The interim dividend was paid on the 12th of January 2010 and represents a 3.1% increase over the interim dividend of the last year.

- Técnicas Reunidas (TR) and Galp Energia reached a final agreement on the conversion to a Lump Sum Turn Key (LSTK) contract for the refinery project in Sines, Portugal.

  The agreement corresponds to the conversion to LSTK of the previous EPCM (Engineering Procurement Construction Management) contract under which TR has been working since the third quarter of 2007. The Sines conversion is the fifth large project conversion to LSTK by TR and shows the company's success in reaching agreements with clients under this type of contract structure.

  The project includes the design and construction of several new refining units: a hydrocracker with a 43,000 bpd capacity as well as a LPG splitter, hydrogen steam reformer, desisobutanizer, sour water stripper and sulphur recovery unit. Also, it includes the revamping of the atmospheric distillation unit and the necessary auxiliary services and offsite units.

- The company reported to the CNMV that Merrill Lynch International ("BofAML") was appointed as sole Bookrunner in respect of the Placing of the Chairman, Mr. José Lladó Fernández-Urrutia, offering for sale up to 3,912,720 existing ordinary shares of the Company held indirectly through the company Araltec, S.L., company controlled by Mr. José Lladó, representing 7% of the issued share capital of the Company. The Placing took place via an accelerated bookbuild. The purpose of his decision was to diversify his investments without compromising his current position as controlling shareholder in the Company.

  Following the Placing, Mr. José Lladó Fernández-Urrutia, would hold 37.2% of the Company's issued share capital, having committed any further share sales during the next 365 days, and he would control up to 44.8% resulting from the share voting agreement signed with certain other shareholders of the Company on May 23rd, 2006, and modified in April 24th, 2009.

- In February, Blackrock Investment Management reported to the CNMV that as it acquired Barclays Global Investors business, the resulting holding of Blackrock would hold 3.99% of the company's issued share capital.

- In February, the company reported to the CNMV that the Board of Directors resolved to propose at the Shareholders Annual General Meeting a complementary dividend of 0.68 Euros per share our of 2009 results. Total dividends of 2010 out of 2009 results would be 72.8 million that represents a 4% increase over the dividend of last year.