



TECNICAS REUNIDAS

FOCUSED IN EXECUTION

June 2016

The growth of population, wealth and energy consumption is going to be impressive

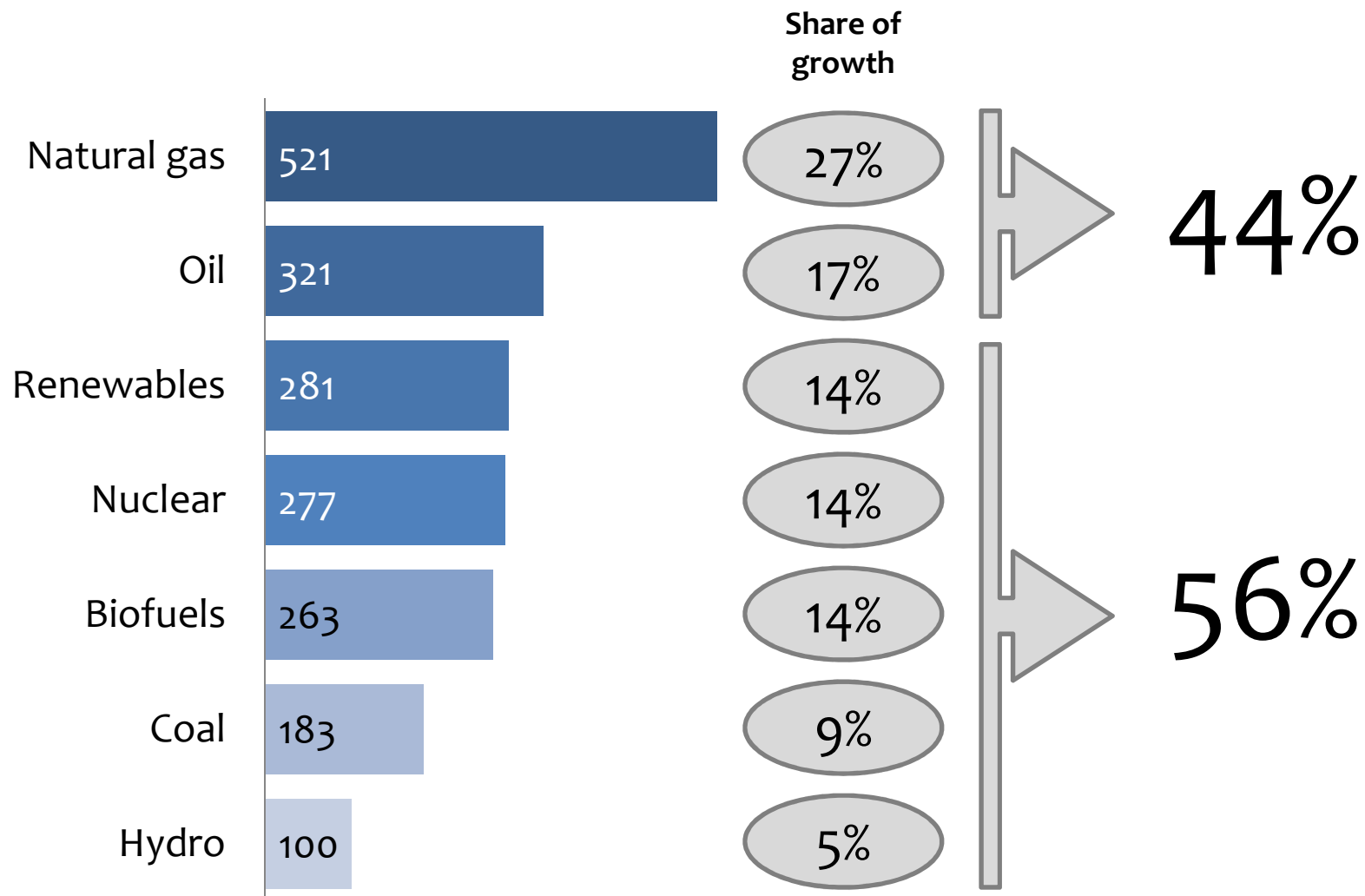
World Energy Outlook 2014, 2012-2025

| | | | |
|-----------------------------|------|---|---------------|
| Population | +14% | ▶ | 1.0X Americas |
| Population living in cities | +22% | ▶ | 56X Istanbul |
| GDP | +60% | ▶ | 2.7X USA |
| Energy consumption | +30% | ▶ | 1.5X China |

This increase in population and wealth will result in large additional energy needs

Increase of energy demand 2013-2025, Mtoe

World Energy Outlook 2015



Técnicas Reunidas has gained an outstanding reputation in the energy business

Capacity runs of different refining units built by Técnicas Reunidas

6 mbd



More than the joint consumption of Germany, France and the United Kingdom

Natural gas processing facilities

51 Bcm



Spain gas consumption: 28 Bcm

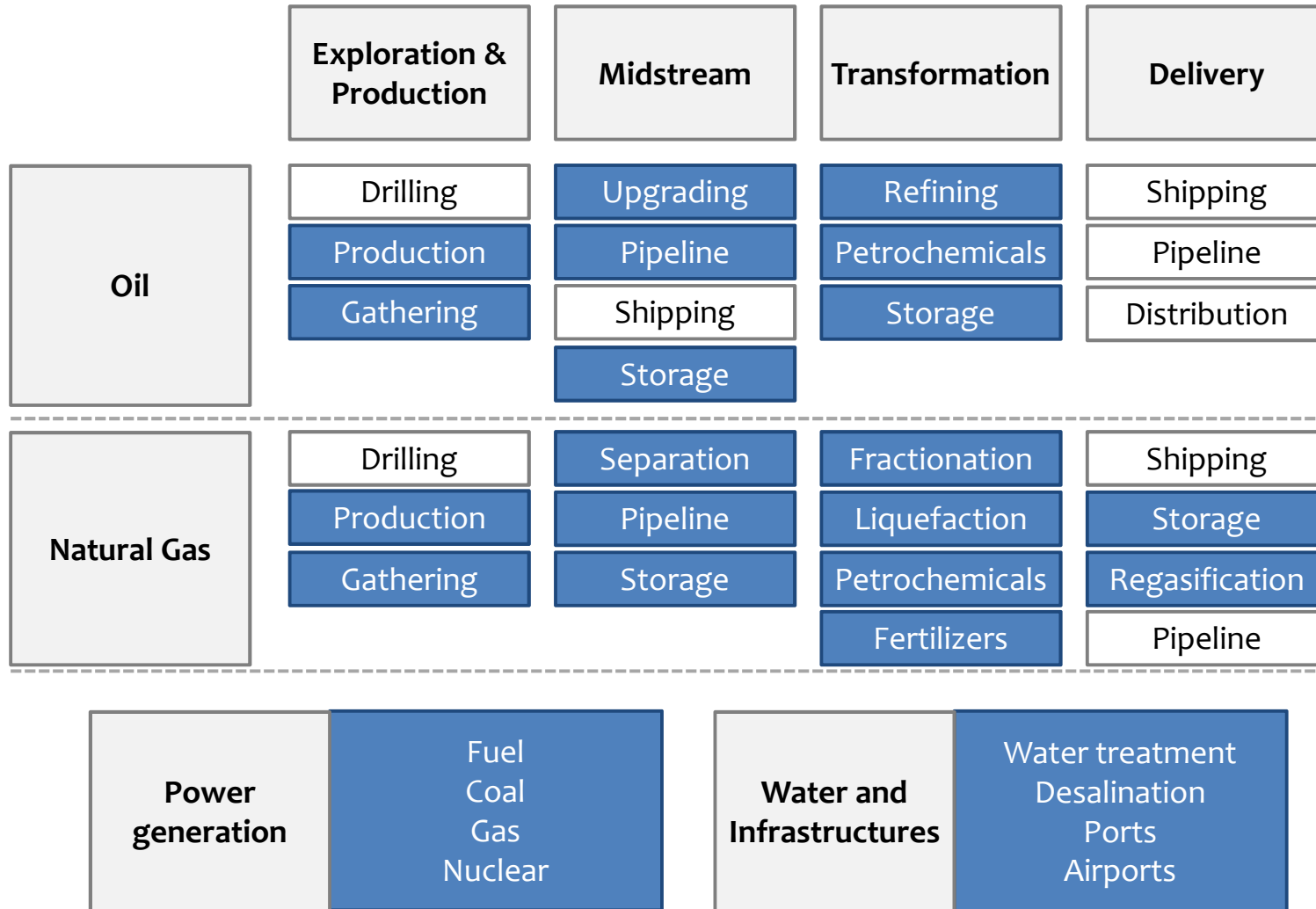
Power capacity where Técnicas Reunidas has been involved in Engineering and/or Construction

40 GW



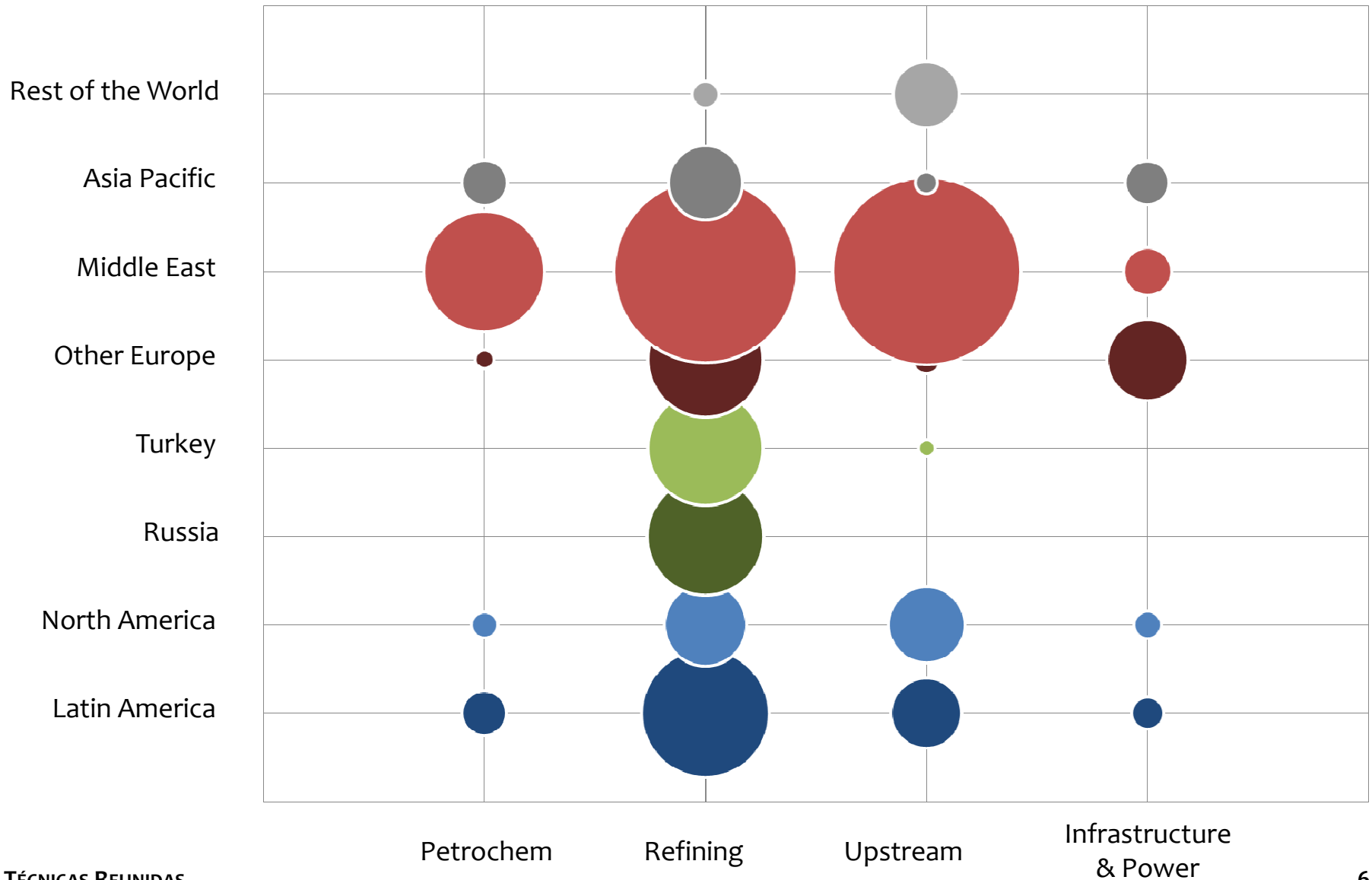
Installed capacity in Spain: 105 GW

Técnicas Reunidas is well positioned throughout the energy value chain

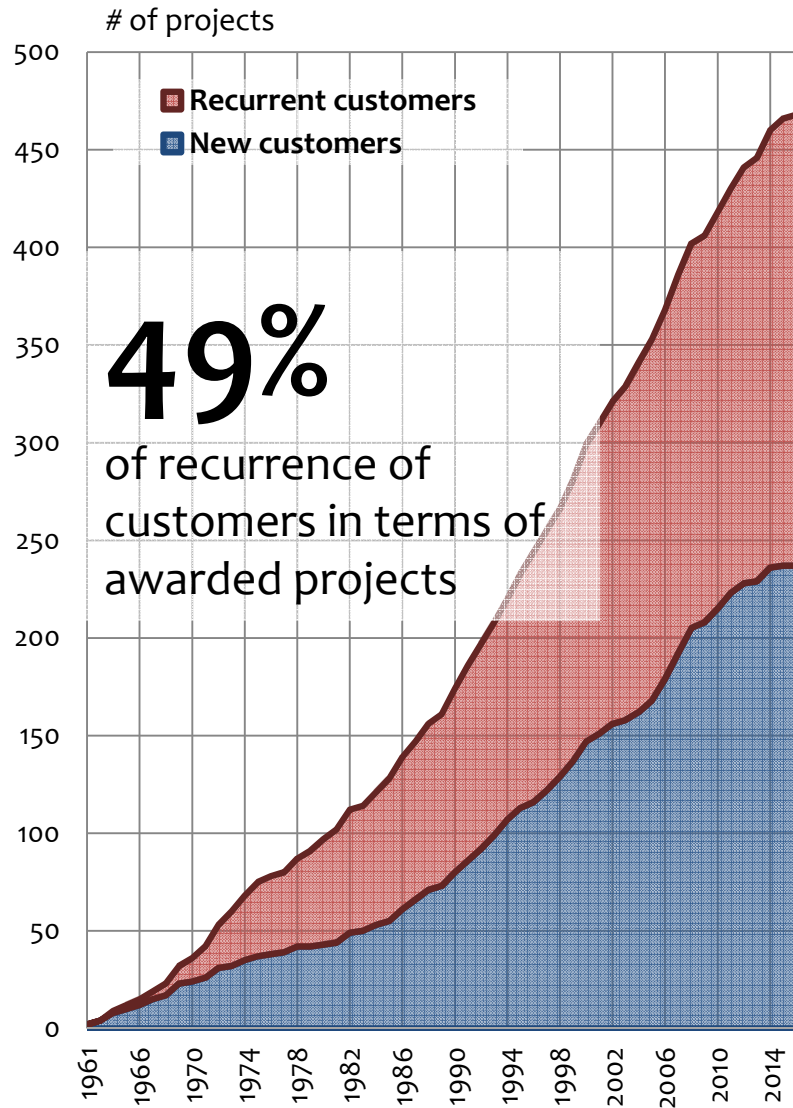


With a diversified platform by geographies and products that helps to opt for more and more opportunities

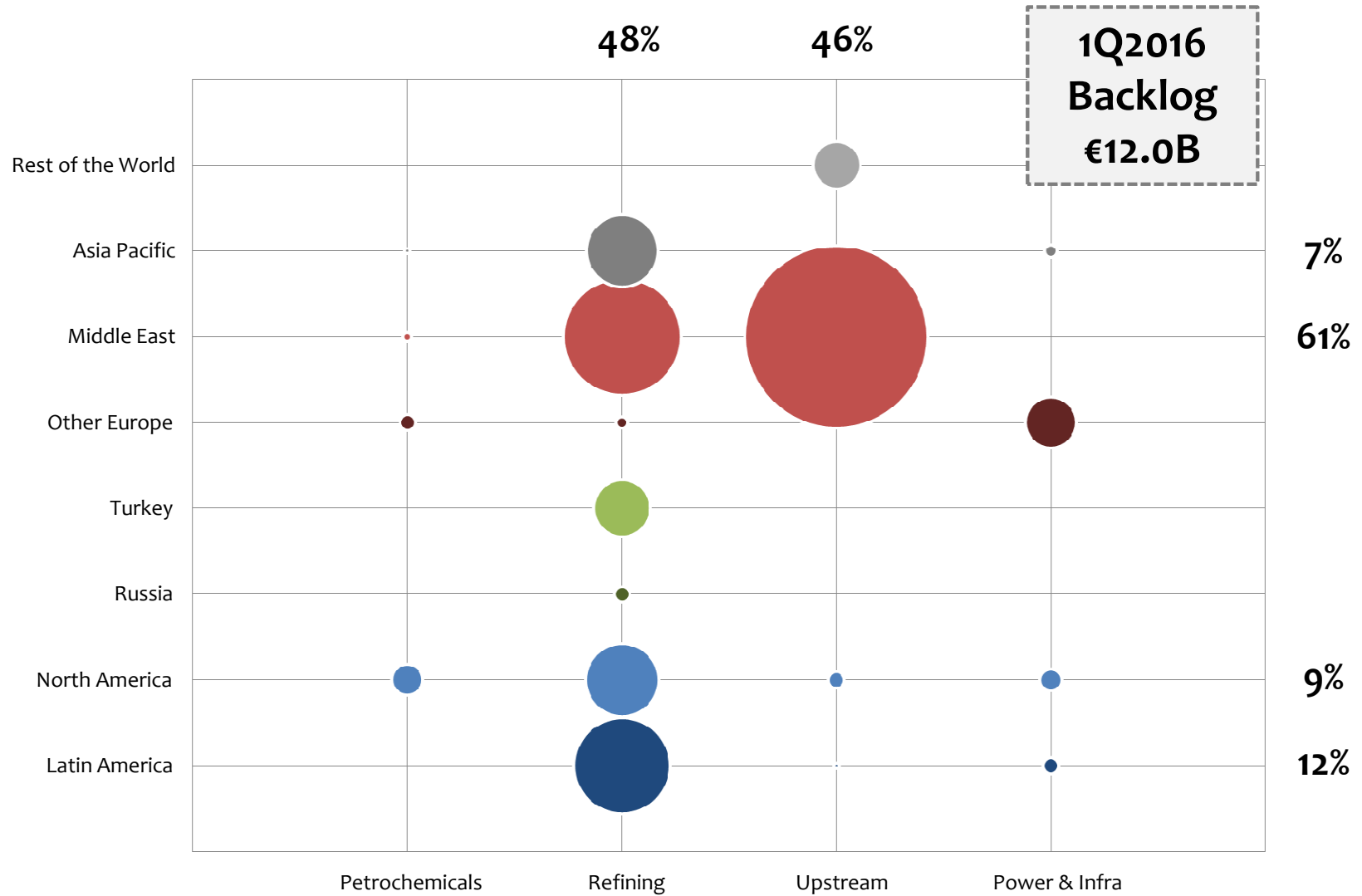
Executed projects 2009-2016



With renowned and recurrent clients, large investors in energy infrastructure

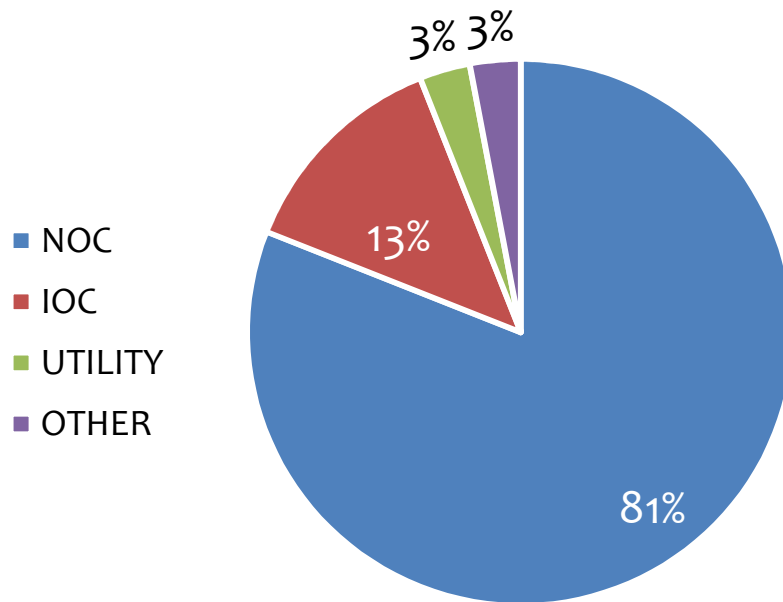


Our current backlog ensures the visibility of our revenues in the next two to three years

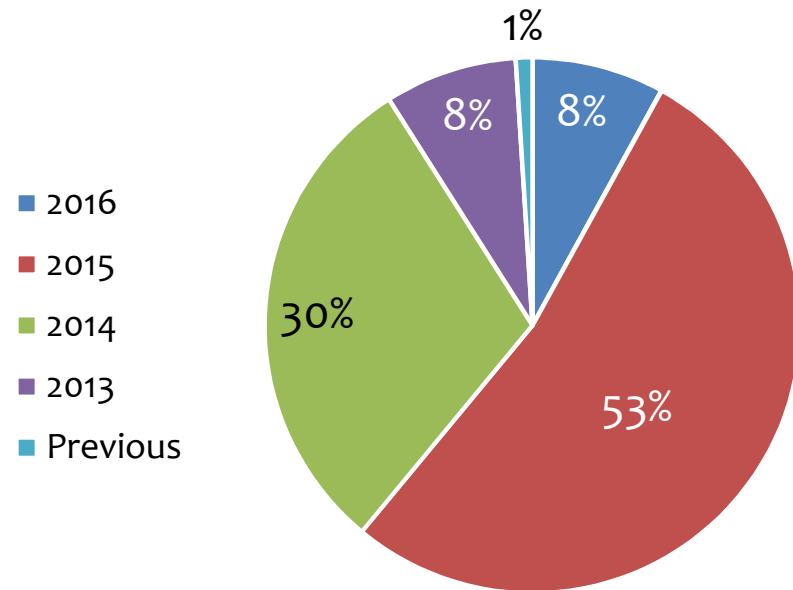


A backlog diversified by client and with several large projects in their early stage

TYPE OF CLIENT



YEAR OF AWARD



Average
age of
backlog **1,8** years

We see further opportunities to grow

Snapshot of our current bidding pipeline

| | Africa | Asia | Eurasia | Europe | Latam | M East | Noram |
|----------------|--------|------|---------|--------|-------|--------|-------|
| Refining | ✓ | | | ✓ | ✓ | ✓ | |
| Petrochemical | ✓ | | | | ✓ | ✓ | |
| Upstream & Gas | ✓ | ✓ | | ✓ | | ✓ | ✓ |
| Power | ✓ | ✓ | | ✓ | ✓ | | ✓ |
| Fertilizers | ✓ | ✓ | | | | ✓ | |

Most active

The outlook remains attractive, but with temporary difficulties

Backwinds

- Record in backlog: visibility for next two-three years
- Known customers, geographies and technologies
- Strong balance sheet helps to support current environment
- Well positioned for growth in intensive and resilient investment regions (good bidding pipeline)

Headwinds

- More stringent payment terms due to market scenario
- Strong competitiveness, but rational
- Outside the Middle East:
 - Delays in awards in bidding pipeline
 - Weaker inflow of opportunities

Our strong franchise is helping to move ahead in this stormy environment

| | |
|------------------------|--|
| Diversification | <ul style="list-style-type: none">▪ New geographies▪ Reinforcing our capabilities |
| Methodology | <ul style="list-style-type: none">▪ Tested in very different conditions (logistics, weather, labor) and geographies |
| Workforce | <ul style="list-style-type: none">▪ Committed team of 8,000+ people▪ TR University: ongoing projects ensure skills continuity |
| HSE | <ul style="list-style-type: none">▪ Thorough approach from the outset▪ A daily task in every single project |
| Quality | <ul style="list-style-type: none">▪ Market recognition of our execution capabilities▪ Our projects are bankable |
| Financials | <ul style="list-style-type: none">▪ Strong balance sheet▪ Large bonding lines available |



Strength and Resiliency

Surfing the current storm with determination

- Efficiency and cost control
- Cash discipline: milestone by milestone, project by project
- Strengthening project management procedures and risk identification and management

Wrap-up

- Energy is a growth business
...and TR is well positioned across the value chain.
- We have a strong reputation in the industry
...and our platform opts for more opportunities.
- We are focused in execute our record backlog
...with known clients, regions and technologies.
- The industry remains attractive, although stormy
...our strong franchise is helping to
successfully move forward.



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