

TÉCNICAS REUNIDAS YEAR 2015 TRADING STATEMENT

Estimates full year 2015

Técnicas Reunidas (TR) will publish full 2015 results on the 29th of February. The main figures for the company are currently expected to be around the following levels:

▪ Backlog:	12,100 M€
▪ Sales:	4,180 M€
▪ EBIT:	86 M€
▪ Net profit:	60 M€
▪ Net cash position:	530 M€

2015 Net profit is impacted by one-off incremental costs from the Upgrader Project in Alberta (Canada), for Canadian Natural Resources Limited (CNRL).

The execution of this project has been affected by some specific factors that are linked to the effects of the global turmoil of the oil and gas industry in Alberta, as oil prices have steeply declined. The main factors are:

- Longer than expected delay on the delivery of the last key modules.
- Exceptional completion works for these modules on site before assembling.
- Costly remedy and acceleration plans at Canadian rates and lower than average productivity, due to the current market circumstances.
- Concentration of a larger than expected workload in the middle of the Canadian winter in order to fulfill TR's commitment to finish the project by June 2016.

Técnicas Reunidas priority is to finalize the projects within the terms committed to its customers, keeping its reputation as a reliable quality contractor with clients and main subcontractors. Consequently, TR has taken the decision to put in place all measures required to deliver the plant to CNRL next June 2016 and absorb the resulting costs.

The incremental costs booked as of December 31st 2015 in application of accounting criteria reflect the additional costs expected to complete the plant.

Estimates for 2016

Técnicas Reunidas wants to reassure investors that our current record backlog, including other projects in Canada, is being executed successfully. The high volume of recent awards, the current bidding pipeline and our execution capabilities, guarantee a solid profitable growth for Técnicas Reunidas. As a consequence, our current estimates for the key financial indicators for 2016 are the following:

- Sales increase to the range of €4,300M - € 4,600M (from 2015 record level)
- EBIT margin levels around 4%.
- Steady dividend distribution

TR' 55 years of experience in the oil services market has proven a strong track record in evaluating the risks associated to its projects. Under the actual oil market circumstances, TR considers prudent to implement a more conservative policy in its margin recognition by increasing the level of contingencies

in its projects. This level of margins with higher contingencies provides a better protection against any potential deviations.

TR in the current oil environment

The global turmoil in the oil and gas sector is placing strong pressure in the whole oil value chain, while impacting capital investments worldwide in an unseen level over the last 30 years. Notwithstanding this adverse scenario, the resiliency of TR business, with its proven methodology, its diversification by product and geography and the recurrence of its clients, explain our recent achievements in contract awards.

Juan Lladó, Chief Executive Officer of Técnicas Reunidas, said:

“In the last ten years, since our IPO, Técnicas Reunidas has grown from a regional company with very high technical credentials, to one of the top world players of our industry. Today, we enjoy the strongest reputation for the quality of our engineering and execution. This trust has been shown in the record backlog attained in the middle of the current oil crisis. Our focus now is to deliver this backlog profitably within schedule and quality, while keeping our ambition to strengthen and further develop our ties with existing and new clients. We are very confident to meet these goals which will allow us to commit a steady dividend distribution to our shareholders.”

Conference Call

Juan Lladó will host a conference call for analysts and investors at 7.00pm CET today to comment on this press release.

To participate in the conference call, you may call any of the following numbers:

UK: +44 (0) 2031474600

Spain: +34 917900871

Simultaneously, the conference call will also be available via webcast in Técnicas Reunidas web page.