



RESULTS REPORT

RESULTS FOR SEVEN MONTHS
JANUARY- JULY 2018



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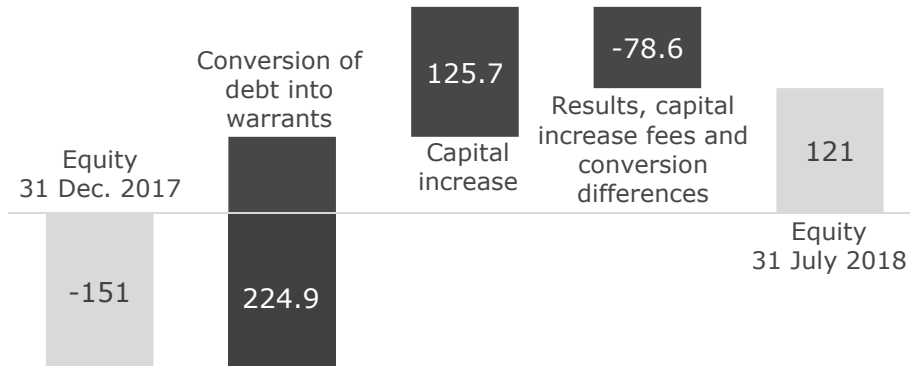
DURO FELGUERA

Results Report January - July 2018

1. Main figures and milestones in the period

- On 27 July 2018 the capital increase was registered at the Business Registry of Asturias for a total amount of 125.7 million Euros. On the same date, once all the suspensive clauses had been met with, the refinancing agreement came into force, which affected a financial debt of 318 million Euros, and implied: (1) the cancellation of 233 million Euros in liabilities by conversion into Class "A" and Class "B" convertible bonds, (2) the conversion of the remaining liabilities into a 5-year syndicated debt of 85 million Euros and (3) the extension of the existing bonds and the setting up of a new bond line of up to 100 million Euros.
- The above conversion implied the cancellation of financial debt of 233,009,000 Euros, and in accordance with the evaluation carried out by an independent expert, the recording of an equity instrument corresponding to Class "A" Convertible Bonds for 8,093,000 Euros, the recording of a debt instrument for a reasonable value corresponding to Class "B" Convertible Bonds for 8,069,000 Euros and a positive impact on the P&L Account of 214,942,000 Euros, net of operation expenses.
- The satisfactory conclusion to the capital increase and the restructuring of the financial debt in July has enabled:
 - Improved liquidity and working capital with a cash injection of 125 million Euros from the capital increase, the reduction of the financial debt by 225 million Euros and the restructuring of the remaining liabilities for 85 million Euros in the long term. In comparison to 31 December 2017, the net treasury position went from minus 271.9 million Euros to plus 46.1 million Euros, while the consolidated working capital went from minus 207.1 million Euros to plus 107.2 million Euros.
 - The rebalancing of the equity situation with said capital increase of 125 million Euros, the acknowledgement of an equity instrument for 8.1 million Euros (corresponding to the Class "A" convertible bonds), the acknowledgement of an debt instrument for 8.1 million Euros (corresponding to the Class "B" convertible bonds), and the positive effect on the P&L account of the conversion of the convertible bonds for 215 million Euros. In comparison to 31 December 2017, the net worth of the parent company has gone from minus 151 million Euros to plus 121 million Euros.

Evolution of Equity



In millions of Euros

- Business in the first seven months of 2018 was significantly affected by liquidity problems deriving from the financial situation, which made it difficult to win new projects, and a fall in the level of production, leading to an EBIT of minus 57.4 million Euros as a consequence of reduced activity, differences in projects of 30.2 million Euros (the total margin forecast for said projects was 44.9 million Euros), and the extraordinary provisions for 12.8 million Euros (corresponding to the impairment of accounts receivable in India and Termocentro for 7.3 million and the estimated risk in the arbitration for the Digestores de Medellín project in Colombia for 5.5 million Euros). The profit mainly reflects revenue for 215 million Euros from the financial restructuring and the expense for losing purchasing power in Argentina (6 million Euros), as a consequence of Argentina being classified as a hyperinflationary economy.
- In order to show the recent evolution of the company's progress, the following table compares the main parameters of the Group from 31 July to 30 June 2018.

Main figures July	31/07/2018	30/06/2018	July
Order intake	53,019	52,191	828
Backlog	922,913	953,635	-30,722
Sales	255,594	222,219	33,375
EBITDA	-52,480	-48,182	-4,298
Profit before tax	142,649	-61,084	203,733

In thousands of Euros

- The EBITDA in July was minus 4.3 million Euros, significantly less than in the first six months, which showed a monthly average of minus 8 million Euros – this is a significant change in the trend which should be confirmed in the second half of the year.



- The main extraordinary items affecting the negative EBITDA in July were: (1) the additional impairment in the accounts receivable from Termocentro for 4 million Euros, and (2) the positive effect of 2.3 million Euros from the sale of DF Rail.
- As for litigation, there were no significant differences in comparison to the situation in June.

2. Income statement

P&L Account	31/07/2018	31/07/2017	Var. %
Total net sales	255,594	405,942	-37%
EBITDA	-52,480	972	n.s.
EBIT	-57,425	495	n.s.
Financial result	200,074	-13,680	n.s.
Result by equity	-	-140	n.s.
Profit before tax	142,649	-13,325	n.s.
Tax on earnings	-339	-35	n.s.
FY profit	142,310	-13,360	n.s.
Minority interests	-7,884	-1,741	n.s.
Net profit of the parent company	150,194	-11,619	n.s.

In thousands of Euros

Sales

Sales by Business Division	31/07/2018	31/07/2017	Var. %
Energy	95,455	169,844	-43.8%
Mining & Handling	60,849	51,890	17.3%
Oil & Gas	31,202	43,517	-28.3%
Services	44,114	94,461	-53.3%
Manufacturing	15,268	33,428	-54.3%
Others	8,706	12,802	-32.0%
Total	255,594	405,942	-37.0%

In thousands of Euros

Sales by geographical area	31/07/2018	31/07/2017	Var. %
Latam	89,990	200,342	-55.1%
Spain	25,867	39,961	-35.3%
Rest of Europe	81,473	61,032	33.5%
Africa and Middle East	49,000	86,895	-43.6%
Asia Pacific	4,828	15,684	-69.2%
Others	4,436	2,028	118.7%
Total	255,594	405,942	-37.0%

In thousands of Euros



EBITDA

	31/07/2018	31/07/2017	Var. %	Margin % July 2018	Margin % July 2017
Energy	-28,168	3	n.s.	-29.5%	0.0%
Mining & Handling	-1,909	1,417	n.s.	-3.1%	2.7%
Oil & Gas	-18,912	989	n.s.	-60.6%	2.3%
Services	226	5,515	-95,9%	0.5%	5.8%
Manufacturing	-497	-2,678	n.s.	-3.3%	-8.0%
Others	-3,220	-4,274	n.s.	-37.0%	-33.4%
Total	-52,480	972	n.s.	-20.5%	0.2%

In thousands of Euros

3. Order intake, Backlog and Pipeline

	31/07/2018	31/07/2017	Var. %
Backlog	922,913	1,387,065*	-33.5%
Order intake	53,019	540,065	-90.2%

In thousands of Euros

* Net adjustment pro-forma value in backlog in November 2017 for -918 million Euros

Pipeline	Presented	In preparation	Opportunities ⁽²⁾
Energy	1,467	465	1,955
Mining & Handling	227	112	831
Oil & Gas	243	78	251
Services	331	24	100
Manufacturing & Others	285	41	104
Total	2,553	720	3,241

In millions of Euros

(1) Bids being prepared which will be presented in the next 12 months.

(2) Commercial opportunities and bids presented with no confirmed decision deadline



4. Consolidated balance sheet

Balance Sheet	31/07/2018	31/12/2017
Intangible assets	17,578	19,174
Material assets	48,127	76,697
Investment in assets	27,160	27,400
Investment by equity method	4,772	20
Long-term financial investment	5,474	6,003
Assets from deferred tax	42,878	11,032
Non-current assets	145,989	140,326
Non-current assets maintained for sale	4,512	27,395
Stock	15,254	22,196
Commercial debtors, other accounts receivable	452,960	473,724
Other current assets	2,747	4,480
Cash and other equivalent assets	157,301	90,579
Current Assets	632,774	618,374
TOTAL ASSETS	778,763	758,700
Net worth of parent company	120,975	-151,039
Minority interests	-19,891	-13,807
Net Worth	101,084	-164,846
Long-term provisions	1,377	3,393
Long-term debt	101,405	74,256
Other non-current liabilities	49,343	20,382
Non-current liabilities	152,125	98,031
Liabilities related to non-current assets maintained for sale	-	20,861
Short-term provisions	113,339	108,120
Short-term debt	9,842	268,395
Commercial creditors & other accounts payable	392,847	418,168
Other current liabilities	9,526	9,971
Current Liabilities	525,554	825,515
TOTAL NET WORTH AND LIABILITIES	778,763	758,700

In thousands of Euros



Net Treasury Position

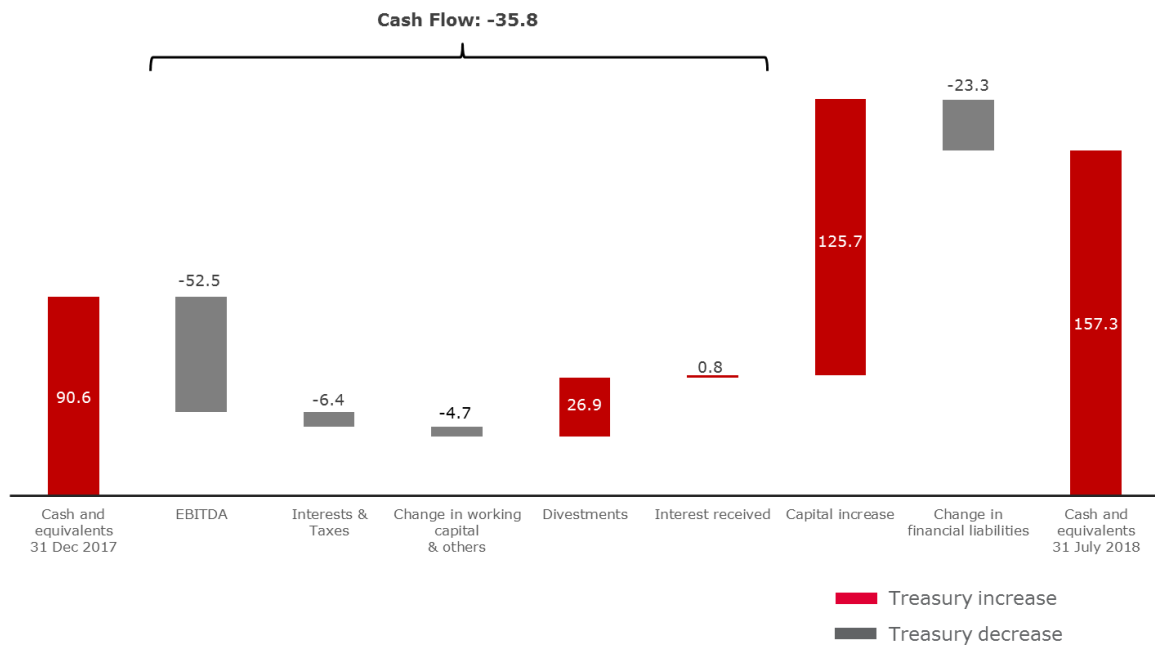
Net Treasury Position	Current	Non-current	TOTAL
Gross financial debt (*)	9,842	101,405	111,247
Cash and equivalent			157,301
Net cash flow			46,054

In thousands of Euros

(*)includes financial derivative instruments

In millions of Euros

Change in treasury





5. Significant deeds in the period

- On 4 January the Company reported the non-modification of the circumstances concerning disinvestments and the financial debt
- On 16 January the Company reported the subscription of the extension to the standstill agreement with its financial entities
- On 1 February the Company reported the replacement of the physical representative of the board member company Inversiones Somió, S.L.
- On 2 February the Company explained news published in the press
- On 21 February the Company explained news published in the press
- On 27 February the Company informed about the refinancing process with its financial entities
- On 27 February the Company sent further information about the refinancing process with its financial entities
- On 7 March the Company informed about the refinancing process with its financial entities
- On 14 March the Company sent information about the results for the second half of 2017
- On 14 March the Company sent the Annual Corporate Governance Report for FY 2017
- On 14 March the Company sent the Annual Report on Board Member Compensation for FY 2017
- On 14 March the Company reported the results for FY 2017
- On 20 March the Company notified the sentence by the Supreme Court of Western Australia in relation to the Roy Hill case
- On 26 March the Company reported the resignation of various Board Members
- On 31 March the Company reported the appointment of Independent Board Members
- On 16 April the Company reported on the refinancing process with its financial entities
- On 17 April the Company reported the signing of the extension to the standstill agreement with its financial entities
- On 27 April the Company notified the current status of the refinancing process with its main financial entities
- On 5 May the Company reported the proposal for financial restructuring
- On 11 May the Company reported that the Board of Directors had approved the terms and conditions proposed for the refinancing
- On 11 May the Company agreed to call the Annual General Meeting for 2018
- On 11 May the Company reported the accession of further financial entities to the terms and conditions of the refinancing proposed, exceeding 90% of the financial debt.



- On 15 May the Company delivered information about the results of the first quarter of 2018
- On 22 May the Company reported the accession of further financial entities to the terms and conditions of the refinancing proposed, thereby reaching 100% of the financial debt
- On 23 May the Company sent out the call for the Annual General Meeting
- On 24 May the Company reported changes in the composition of the Board of Directors Committees
- On 13 June the Company presented the strategic plan for 2018-2021
- On 14 June the Company reported the signing of a strategic alliance with *Arabian Construction Engineering Company (ACEC)*
- On 15 June the Company reported the Chairman's speech at the Annual General Meeting on 15 June 2018
- On 18 June the Company reported the agreements adopted by the Annual General Meeting held on 15 June 2018
- On 22 June the Company reported the notarization of the Refinancing Agreement
- On 25 June the Company reported the agreements adopted by the Annual General Meeting held on 25 June 2018
- On 27 June the Company reported the judicial acceptance of the refinancing agreement
- On 27 June the Company reported the registration at the Business registry of the capital operations agreed by the Annual General Meeting on 15 June 2018
- On 28 June the Company reported that the National Securities Market Commission (CNMV in Spanish) had registered as of today the ordinary share issue prospectus in its official records
- On 6 July the Company reported the interest of certain investors in taking part in the capital increase
- On 20 July the Company reported the provisional subscription data for the first and second rounds of the capital increase
- On 23 July the Company reported the definitive subscription data for the first and second rounds of the capital increase
- On 23 July the Company reported the capital increase data after the discretionary assignment period
- On 23 July the Company reported changes in the Board of Directors and its commissions
- On 25 July the Company reported the sale of its subsidiary Núcleo de Comunicaciones y Control
- On 27 July the Company reported the registration of the Capital Increase deed at the Business Registry of Asturias
- On 31 July the Company reported that the new shares had been accepted for trading



6. Limited Responsibility

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