RESULTS REPORT

RESULTS FOR FIRST QUARTER
JANUARY-MARCH 2018

Powered by experience

DURO FELGUERA

Results Report
January-March 2018

1. Main figures and events in the period

- As part of the financial restructuring process which started in 2016, the Company has received and accepted the terms and conditions for the refinancing with its financial entities. As stated in the significant event dated 11 May, the agreement consists of a reduction in debt to 85 million Euros and the issue of convertible bonds for 233 million Euros, and is subject, among other suspensive conditions, the a successful capital increase plus a premium for an amount of at least 125 million Euros. This refinancing agreement will guarantee the equity rebalance, stability and future feasibility of the Company and maintaining as many jobs as possible.

- The Company reported the calling of the Annual General Meeting to be held on 15 June (the second calling), whose agenda includes an increase in the social capital plus an issue premium for 125.7 million Euros by means of the issue and marketing of 4,656 million new shares with a face value of 0.01 Euros each and a premium of 0.017 Euros, which will be subscribed and fully paid up by cash contribution, with an acknowledgement of the right of preferential subscription and a prevision for incomplete subscription.

- The Company has hired Fidentiis as a placing agent and the Banco de Santander as the agent for this capital increase.

- The results of the first quarter were significantly affected by the problems of liquidity due to the financial situation, which makes it difficult to contract new projects and reduces the level of production. This situation will be remedied once the Company finishes it restructuring process after the capital increase.

- Sales in the period amounted to 97.8 million Euros, a fall of 15.2% in comparison to the fist quarter in the previous year. The EBITDA was -12.6 million Euros, while the net loss was 16.9 million Euros.

	1Q 2018	1Q 2017	Var. %
Backlog	1,070,455	2,226,546	-51.9%
Order intake	29,773	106,324	-72.0%
Sales	97,810	115,394	-15.2%
EBITDA	-12,645	5,164	n.s.
EBITDA Margin	-12.9%	4.5%	
EBIT	-13,879	3,776	n.s.
Net profit	-16,919	-327	n.s.
Net debt	-284,951	-244,063	n.s.

In thousands of Euros

- Order intake in the first quarter was 29.7 million Euros, 72% less than in the same period the previous year. This is due to the Company's financial situation and the impossibility to put up bonds, which impedes the contracting of new projects. At the end of the first quarter, the project backlog amounted to 1,070 million Euros. 75% of this backlog is in Europe, Africa and the Middle East.

- As for the presentation and preparation of offers, following are the main milestones in the quarter:

    - Energy and Services: bids were presented for four photovoltaic plants, a biomass plant and four cogeneration plants, including operation and maintenance, in Europe and South America, for an accumulated amount of roughly 500 million Euros, and an invitation to take point in joint venture with various different partners for two power plants in South America, one in the Caribbean and another in Africa.

    - Oil & Gas: the presentation of bids for an LPG plant in South America, a hydrocarbon storage terminal in the Middle East, the "top side" of an offshore regasification terminal in Asia and the extension to a hydrocarbon storage terminal in Africa for an accumulated amount of c. 150 million Euros.

    - Mining & Handling: the presentation of bids for the extension to the coke handling system at a port terminal in South America, the design and supply of a 30 km conveyor belt in Asia and the engineering and purchasing management for a graphite plant in North America, for an accumulated amount of c. 100 million Euros.

- As part of the efficiency improvement plan announced by the Company, on 28 March workers' representatives at Duro Felguera S.A. were informed of the beginning of a mass layoff, to adapt the Company's cost structure and productivity to the sector it operates in, in order to make it feasible and competitive. After this announcement, the workers' council appointed and informed the company of the people on the negotiating committee. Over the next few weeks the documentation for the layoff will be delivered to the committee and then there will be one month for negotiations.

- As part of the financial restructuring process, the company is considering the disinvestment of its subsidiaries DF Rail and DF Núcleo; various offers have been received and they are currently under analysis.

- As of 31 March the group's consolidated financial debt amounted to 285 million Euros, an increase of 13 million in comparison to 31 December. The gross debt was down by 23 million Euros mainly as a result of the sale of the buildings in Madrid and Las Rozas and the cancellation of the associated leasing contract of 21 million Euros. Treasury was down by 35 million Euros as cash flow was used to cover the needs for working capital and the deposits constituted for 17.6 million Euros as a performance guarantee instead of bonds. Once the financial restructuring process is finished and bonds are available, this amount will be restored to the Company's treasury.

- The tax inspection underway by the Spanish IRS is still meeting the procedural milestones established, and allegations will be presented at the Central Administrative and Financial Court soon. The Company and its advisors expect that the debt will be suspended with no need for guarantees.

- Additionally, on 6 March 2018, the Spanish IRS started an inspection of Fiscal Group 22/1978 for Corporate Tax in 2013 and 2014, and of VAT Group 212/08, for the period from 04/2014 to 12/2014, whose parent company in both cases is Duro Felguera, S.A. Likewise, the inspection involves income tax withholdings and income tax of non-residents. The process is underway and no relevant contingencies are expected.

- As for the lawsuit for compulsory receivership presented by ITK, the company withdrew the lawsuit after DF appealed. The demand for receivership was therefore rejected.

2. P&L Account

	1Q 2018	1Q 2017	Var. %
Total net sales	**97,810**	**115,394**	-15.2%
EBITDA	**-12,645**	**5,164**	**n.s.**
EBIT	**-13,879**	**3,776**	**n.s.**
Financial result	-2,359	-4,081	n.s.
Result by equity	-	-	
Profit before tax	**-16,238**	**-305**	**n.s.**
Tax on earnings	-1,709	-88	n.s.
FY profit	**-17,947**	**-393**	**n.s.**
Minority interests	-1,028	-66	n.s.
Net profit of the parent company	**-16,919**	**-327**	**n.s.**

In thousands of Euros

Sales

Sales by business division	1Q 2018	1Q 2017	Var. %
Energy	35,052	46,009	-23.8%
Mining & Handling	20,693	12,395	66.9%
Oil & Gas	12,519	13,924	-10.1%
Services	19,513	24,119	-19.1%
Manufacturing	5,868	14,750	-60.2%
Others	4,165	4,197	-0.8%
Total	**97,810**	**115,394**	**-15.2%**

In thousands of Euros

Sales by geographical area	1Q 2018	1Q 2017	Var. %
Latam	35,101	59,904	-41.4%
Spain	10,691	16,719	-36.1%
Rest of Europe	24,547	9,086	170.2%
Africa and Middle East	24,168	26,192	-7.7%
Asia Pacific	1,548	2,992	-48.3%
Others	1,755	501	250.3%
Total	**97,810**	**115,394**	**-15.2%**

In thousands of Euros

EBITDA

	1Q 2018	1Q 2017	Var. %	Margin % 1Q 2018	Margin % 1Q 2017
Energy	-5,162	1,752	n.s.	-14.7%	3.8%
Mining & Handling	-3,276	484	n.s.	-15.8%	3.9%
Oil & Gas	-1,489	1,418	n.s.	-11.9%	10.2%
Services	187	1,486	-87.4%	1.0%	6.2%
Manufacturing	-1,631	968	n.s.	-27.8%	6.6%
Others	-1,274	-944	n.s.	-30.6%	-22.5%
Total	**-12,645**	**5,164**	**-344.9%**	**-12.9%**	**4.5%**

In thousands of Euros

Net result

The net result for the first quarter of 2018 was a loss of 16.9 million Euros due to the fall in the EBITDA as a consequence of reduced business activity and negative differences in the exchange rate.

3. Evolution by Business Division

Energía

	1Q 2018	1Q 2017	Var. %
Sales	35,052	46,009	-23.8%
EBITDA	-5,162	1,752	n.s.
EBITDA Margin	-14.7%	3.8%	
Backlog	549,966	1,422,992	-61.4%

In thousands of Euros

In the first quarter of 2018, sales in the Energy division amounted to 35 million Euros, 24% less than the 46 million recorded in the same period the previous year. This reduction in sales and activity is mainly the consequence of the Company's current financial situation.

The EBITDA for the quarter was -5.1 million Euros, which includes 2.8 million Euros in exchange rates for the Aconcagua project and 0.7 million in the Empalme project due to updating the budget.

The CVO project started operations in the first quarter, and only accessory work is required for finalization.

In relation to the news about inflation and the devaluation of the Argentine peso, Duro Felguera believes that the risk is mitigated because the current projects are referenced in American dollars.

Mining & Handling

	1Q 2018	1Q 2017	Var. %
Sales	20,693	12,395	66.9%
EBITDA	-3,276	484	n.s.
EBITDA Margin	-15.8%	3.9%	
Backlog	270,959	311,001	-12.9%

In thousands of Euros

Sales in Mining & Handling amounted to 20.6 million Euros, an increase of 67% in comparison to the same period the previous year, as the Petacalco project started production.

The EBITDA for the period was -3.2 million Euros, due to extraordinary costs for the litigation of Felguera Grúas India and negative exchange rates.

Oil & Gas

	1Q 2018	1Q 2017	Var. %
Sales	12,519	13,924	-10.1%
EBITDA	-1,489	1,418	n.s.
EBITDA Margin	-11.9%	10.2%	
Backlog	160,994	270,849	-40.6%

In thousands of Euros

Sales in the first quarter of the year in the Oil & Gas division were 12.5 million Euros and the EBITDA was -1.48 million Euros, due to the reduced margin in projects underway and acknowledged in previous periods.

Services

	1Q 2018	1Q 2017	Var. %
Sales	19,513	24,119	-19.1%
EBITDA	187	1,486	-87.4%
EBITDA Margin	1%	6.2%	
Backlog	35,997	150,097	-76%

In thousands of Euros

Sales in the first quarter of the year in the Services division were 19.5 million Euros and the EBITDA was 187,000 Euros.

The backlog was down to 36 million Euros, a reduction of 76% in comparison to the same period the previous year, as a consequence of progress in the Matheu and Luján projects, which are expected to be finished in the third quarter of the year.

Manufacturing

	1Q 2018	1Q 2017	Var. %
Sales	5,868	14,750	-60.2%
EBITDA	-1,631	968	n.s.
EBITDA Margin	-27.8%	6.6%	
Backlog	19,971	44,204	-54.8%

In thousands of Euros

Sales in Manufacturing were down by 60% in comparison to the same period the previous year, as there was less business in DF Calderería Pesada. The EBITDA in the period was -1.6 million Euros.

As for DF Rail, the Company is currently analysing the offers received.

Others

	1Q 2018	1Q 2017	Var. %
Sales	4,165	4,197	-0.8%
EBITDA	-1,274	-944	n.s.
EBITDA Margin	-30.6%	-22.5%	
Backlog	32,568	27,404	18.8%

In thousands of Euros. Includes Smart Systems and General Expenses.

Sales in the Others segment were at similar levels to the previous year. The EBITDA margin was impaired due to the negative exchange rates as a consequence of the devaluation of the dollar.

The backlog in the segment was up to 32.5 million Euros thanks to the recent contracts signed by DF Núcleo.

The Company has received various offers for DF Núcleo which are under analysis.

4. Order intake and Backlog

	1Q 2018	1Q 2017	Var. %
Backlog	1,070,455	2,226,546	-51.9%
Order Intake	29,773	106,324	-72%

In thousands of Euros

Backlog by business division	1Q 2018	% total
Energy	549,966	51.4%
Mining & Handling	270,959	25.3%
Oil & Gas	160,994	15.0%
Services	35,997	3.4%
Manufacturing	19,971	1.9%
Others	32,568	3.0%
Total	**1,070,455**	**100.0%**

In thousands of Euros

Backlog by geographical area	1Q 2018	% total
Latam	212,532	19.9%
Spain	41,778	3.9%
Rest of Europe	328,650	30.7%
Africa and Middle East	429,787	40.1%
Asia Pacific	28,216	2.6%
Others	29,492	2.8%
Total	**1,070,455**	**100.0%**

In thousands of Euros

Pipeline	Presented	In preparation	Total
Energy	3,838	1,178	5,016
Mining & Handling	293	927	1,220
Oil & Gas	245	414	659
Services	277	152	428
Manufacturing and Other	197	265	462
Total	**4,850**	**2,935**	**7,784**

In millions of Euros
* Includes bids in preparation and bids to be prepared over the next 12 months.

5. Balance sheet

	Mar-18	Dec-17
Intangible assets	18,479	19,174
Material assets	75,383	76,697
Investment in assets	27,297	27,400
Investment by equity method	20	20
Long-term financial investment	6,202	6,003
Assets from deferred tax	9,122	11,032
Non-current assets	**136,503**	**140,326**
Non-current assets maintained for sale	-	27,395
Stock	20,283	22,196
Commercial debtors, other accounts receivable	506,615	473,724
Other current assets	3,875	4,480
Cash and other equivalent assets	54,768	90,579
Current Assets	**585,541**	**618,374**
TOTAL ASSETS	**722,044**	**758,700**
Net worth of parent company	-173,683	-151,039
Minority interests	-13,935	-13,807
Net Worth	**-187,618**	**-164,846**
Long-term provisions	3,414	3,393
Long-term debt	9,201	74,256
Other non-current liabilities	18,106	20,382
Non-current liabilities	**30,721**	**98,031**
Liabilities related to non-current assets maintained for sale	-	20,861
Short-term provisions	107,793	108,120
Short-term debt	330,541	268,395
Commercial creditors & other accounts payable	428,369	418,168
Other current liabilities	12,238	9,971
Current Liabilities	**878,941**	**825,515**
TOTAL NET WORTH AND LIABILITIES	**722,044**	**758,700**

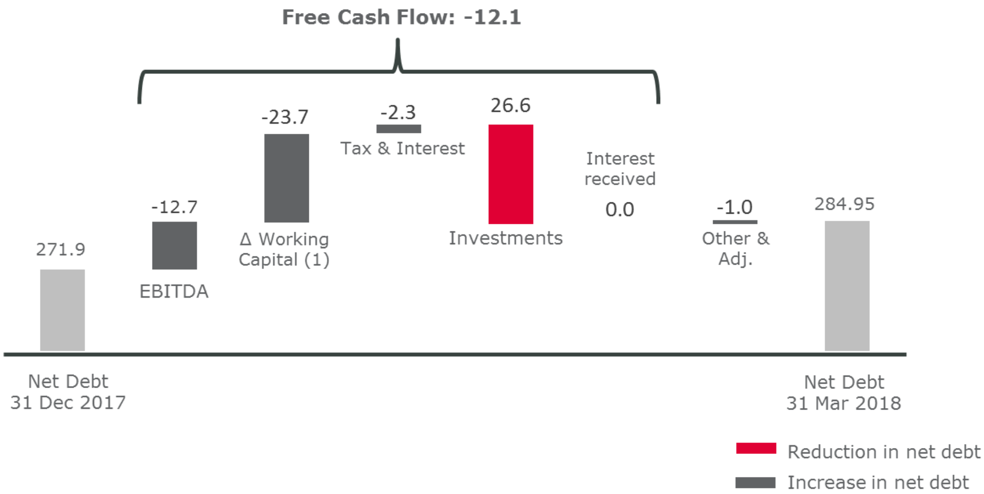
In thousands of Euros

Net Treasury Position

	Current	Non-current	TOTAL
Gross financial debt (*)	330,518	9,201	339,719
Cash and equivalent			54,768
Net financial debt			284,951

In thousands of Euros
(*) includes financial derivative instruments

In millions of Euros



(1) Changes in working capital: stock, commercial debtors and creditors

Significant Events 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

6. Limited Responsibility

This document has been drawn up by DURO FELGUERA for exclusive use in presentations of the company's results.

This document may contain previsions or estimates of the evolution of the company's business and results. These previsions reflect the opinion and future expectations of DURO FELGUERA, and as such are subject to risk and uncertainty which could lead to the real results being significantly different from said previsions and estimates.

What is set forth in this document should be taken into account by everybody and all entities who might have to take decisions or draw up and publish opinions about DURO FELGUERA securities, and in particular by analysts who read this document.

It is hereby stated that this document may contain summarized or non-audited information.

This document does not constitute an offer or an invitation to subscribe or purchase any securities, and neither this document nor its content shall be the basis for any contract or commitment.

7. Contact Data

For further information please contact:

Investor Relations Department

Tel: (+34) 900 714 342

E-mail: accionistas@durofelguera.com

Web site: www.dfdurofelguera.com