RESULTS REPORT

FIRST QUARTER RESULTS
JANUARY-MARCH 2017

Powered by experience

DURO FELGUERA

Results Report
January-March 2017

1. Main figures and milestones for the period

	1Q 2017	1Q 2016	Var. %
Backlog	2,226,546	2,025,642	9.9%
Order intake	106,324	39,702	167.8%
Sales	115,394	191,815	-39.8%
EBITDA	5,164	9,967	-48.2%
EBITDA Margin	4.5%	5.2%	
EBIT	3,776	7,369	-48.8%
Net profit	-327	2,124	115.4%
Net debt	244,063	185,597	31.5%

In thousands of Euros

- On 26 April, the Board of Directors appointed Mr. Ricardo Córdoba as a new independent board member. The Board also appointed the independent members Mr. Carlos Solchaga Catalán and Mr. Acacio Faustino Rodríguez García as member and chairman respectively of the board's audit commission. These appointments took place after the resignation of Mr. Francisco Javier Valero Artola from the board on 10 April.

- Order intake in the first quarter was 106 million Euros, mainly in the Energy and Services divisions, and was negatively affected by the negotiation process with the banks. In the month of April the Energy division contracted the Jebel Ali "K" project in Dubai, to build a 500 MW open cycle power plant for 204 million Euros. As of 31 March 2017, Duro Felguera's backlog was 2,227 million Euros, although there is no starting date yet for the Rio Grande, Novo Tempo and Octopus projects, which amount to 922 million Euros.

- Sales as of 31 March were at 115 million Euros, 40% under the same period in the previous year. The lower sales figures are due to both the delays in starting some projects in the backlog and also the lower order intake, related to the company's financial situation.

- The EBITDA was at 5.2 million Euros, an improvement in comparison to the loss of 13.7 million Euros in the last quarter of 2016, which suffered significantly from the negative impact of Vuelta Obligado (CVO) and Carrington. The net profit without taking restructuring costs into account was 0.4 million Euros, and if we include these costs it was a loss of 0.3 million Euros.

- Closure of the "Group 10" combined cycle at the Termocentro project (Venezuela) was completed in January 2017. 15 million Euros were collected from the project in the first quarter of the year. In 2017 we expect to continue with work on the "Group 20" combined cycle closure and the expected payments for the outstanding balance of 83 million Euros.

- We continued the necessary work at the Vuelta de Obligado project (Argentina) to start commissioning in summer 2017. This activity did not affect the EBITDA, but required cash payment in accordance with the previsions included in the results for 2016. The company is moving forwards with the arbitration process started in 2016, claiming an amount of almost 159 million Euros.

- The company is still involved in the arbitration process for the Roy Hill project (Australia), which started last year in Singapore. Among other concepts, the claim includes 88 million Euros for the bonds called on by our client, Samsung, and 48 million Euros for the non-payment of the last certificate.

- The Carrington project (United Kingdom) has come to an end and had no negative impact on the accounts for this period. Duro Felguera, GE and the client are negotiating a final agreement to close the project.

- As of 31 March 2017, the net debt amounted to 244 million Euros, an increase of 19 million Euros in comparison to the 225 million Euros in the previous quarter, mainly because of needs for working capital in current projects. The annual increase in the net debt is mainly due to the calling on the Roy Hill bonds (Australia) for 88 million Euros and the extra costs at the Vuelta de Obligado (Argentina) and Carrington (United Kingdom) projects. In the first quarter of the year, the group amortized 29 million Euros of financial debt.

- The company is still negotiating with Bankia, BBVA, Caixabank, Popular, Sabadell and Santander about due debt and commercial guarantees. In this context, the company is selling off non-strategic assets. It has already sold Petróleos Asturianos and is moving forwards with the sale of other assets. Likewise, a structural cost reduction plan has been started up, and is already obtaining significant results.

- Likewise, a capital structure reinforcement plan is being drawn up, although the amount, instrument and whether it will be done in one sole operation or in various successive ones has not yet been defined. The company is also contemplating the possibility of finding a strategic partner, although neither the profile or the way such a partner would take part in the capital have been defined.

2. P&L Account

	1Q 2017	1Q 2016	Var. %
Total net sales	**115,394**	**191,815**	**-39.8%**
EBITDA	**5,164**	**9,967**	**-48.2%**
EBIT	**3,776**	**7,369**	**-48.8%**
Financial result	-4,081	-4,360	6.4%
Result by equity	0	400	-100.0%
Profit before tax	**-305**	**3,409**	**n.m.**
Tax on earnings	-88	-705	87.5%
FY profit	**-393**	**2,704**	**n.m.**
Minority interests	-66	580	n.m
Net profit of the parent company	**-327**	**2,124**	**n.m.**

In thousands of Euros

Sales

Sales by business division	1Q 2017	1Q 2016	Var. %
Energy	46,009	100,336	-54.1%
Mining & Handling	12,395	28,614	-56.7%
Oil & Gas	13,924	15,612	-10.8%
Services	24,119	22,602	6.7%
Manufacturing	14,750	19,104	-22.8%
Others	4,197	5,547	-24.3%
Total	**115,394**	**191,815**	**-39.8%**

In thousands of Euros

Sales by geographical area	1Q 2017	1Q 2016	Var. %
Latam	59,904	83,460	-28.2%
Spain	16,719	20,375	-17.9%
Rest of Europe	9,086	41,883	-78.3%
Africa and Middle East	26,192	31,996	-18.1%
Asia Pacific	2,992	11,959	-75.0%
Others	501	2,142	-76.6%
Total	**115,394**	**191,815**	**-39.8%**

In thousands of Euros

EBITDA

	1Q 2017	1Q 2016	Var. %	Margin % 1Q 2017	Margin % 1Q 2016
Energy	1,752	1,033	69.6%	3.8%	1.0%
Mining & Handling	484	3,093	-84.4%	3.9%	10.8%
Oil & Gas	1,418	112	1,166.1%	10.2%	0.7%
Services	1,486	3,992	-62.8%	6.2%	17.7%
Manufacturing	968	1,134	-14.6%	6.6%	5.9%
Others	-944	603	n.s.	-22.5%	10.9%
Total	**5,164**	**9,967**	**-48.2%**	**4.5%**	**5.2%**

In thousands of Euros

Net profit

The net financial loss was 4.1 million Euros, a slight improvement in comparison to the loss of 4.3 million Euros in the same period in the previous year. In the first quarter there were negative exchange differences of 1.1 million Euros while in the same period the previous year the difference was 0.6 million Euros in favour.

The net profit without taking restructuring costs into account was 0.4 million Euros, and if we include these costs it was a loss of 0.3 million Euros.

3. Evolution by Business Division

Energy

	1Q 2017	1Q 2016	Var. %
Sales	46,009	100,336	-54.1%
EBITDA	1,752	1,033	69.6%
EBITDA Margin	3.8%	1%	
Backlog	1,422,992	1,341,625	6.1%

In thousands of Euros

In the first quarter of 2017, sales in the Energy division were lower, due to both the delays in starting some projects in the backlog and also the lower order intake, related to the company's financial situation.

However, the evolution of projects underway is good, which implies improved margins in the division. The EBITDA margin on sales in the first quarter of the year was 3.8%, a significant improvement over the figure of 1% in the same period the previous year.

Mining & Handling

	1Q 2017	1Q 2016	Var. %
Sales	12,395	28,614	-56.7%
EBITDA	484	3,093	-84.4%
EBITDA Margin	3.9%	10.8%	
Backlog	311,001	294,715	5.5%

In thousands of Euros

Sales were down 57% in Mining & Handling, due to both the delays in starting some projects in the backlog and also the lower order intake.

The EBITDA margin of 3.9% is significantly lower than the figure of 10.8% in the same period the previous year, due to higher fixed costs in a time of less activity.

Oil & Gas

	1Q 2017	1Q 2016	Var. %
Sales	13,924	15,612	-10.8%
EBITDA	1,418	112	1,166.1%
EBITDA Margin	10.2%	0.7%	
Backlog	270,849	240,907	12.4%

In thousands of Euros

Sales of 13.9 million Euros in the Oil & Gas division were down by 11%. However, the positive evolution of projects underway led to an EBITDA of 1.4 million Euros, a significant improvement compared to 0.1 million a year earlier. The sales margin, helped along by positive exchange differences, was at 10.2%.

Services

	1Q 2017	1Q 2016	Var. %
Sales	24,119	22,602	6.7%
EBITDA	1,486	3,992	-62.8%
EBITDA Margin	6.2%	17.7%	
Backlog	150,097	55,897	168.5%

In thousands of Euros

Sales in the Services division remained stable, with an improvement of 7%. The margins were down to 6.2%.

Manufacturing

	1Q 2017	1Q 2016	Var. %
Sales	14,750	19,104	-22.8%
EBITDA	968	1,134	-14.6%
EBITDA Margin	6.6%	5.9%	
Backlog	44,204	61,460	-28.1%

In thousands of Euros

Sales in the Manufacturing division were at 14.7 million Euros, 23% under the figures for the same period the previous year. However, the margin reached 6.6%, an improvement of 0.7% in comparison to the first quarter the previous year.

Others

	1Q 2017	1Q 2016	Var. %
Sales	4,197	5,547	-24.3%
EBITDA	-944	603	n.m.
EBITDA Margin	-22.5%	10.9%	
Backlog	27,404	31,038	-11.7%

In thousands of Euros. Includes Smart Systems business and general expenses.

The Smart Systems business is still involved in the commercial offer rationalization and cost reduction process.

4. Order intake and Backlog

	1Q 2017	1Q 2016	Var. %
Backlog	2,226,546	2,025,642	9.9%
Order intake	106,324	39,702	167.8%

In thousands of Euros

Backlog by business division	31-Mar-2017	% total
Energy	1,422,992	63.9%
Mining & Handling	311,001	14%
Oil & Gas	270,849	12.2%
Services	150,097	6.7%
Manufacturing	44,204	2%
Others	27,404	1.2%
Total	**2,226,546**	**100%**

In thousands of Euros

Backlog by geographical area	31-Mar-2017	% total
Latam	1,337,180	60.1%
Spain	55,097	2.5%
Rest of Europe	363,373	16.3%
Africa and Middle East	392,682	17.6%
Asia Pacific	50,982	2.3%
Others	27,232	1.2%
Total	**2,226,546**	**100%**

In thousands of Euros

Pipeline (31-Mar-2017)	Presented	In preparation*	Total
Energía	3,587	2,297	5,884
Mining & Handling	307	1,152	1,459
Oil & Gas	275	361	636
Servicios	502	606	1,108
Fabricación y Otros	400	137	537
Total	**5,070**	**4,554**	**9,624**

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

5. Consolidated Balance Sheet

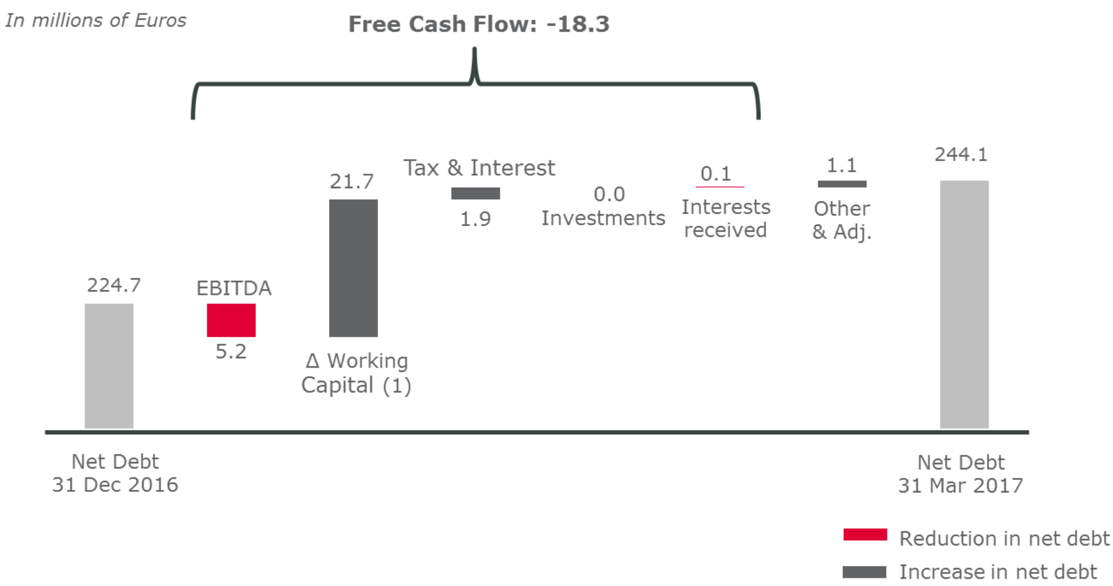
	31-Mar-2017	31-Dec-2016
Intangible assets	38,258	38,371
Material assets	112,797	114,178
Investment in assets	32,629	32,741
Investment by equity method	3,379	4,403
Long-term financial investment	8,306	7,703
Assets from deferred tax	66,584	68,471
Non-current assets	**261,953**	**265,867**
Stock	31,386	28,921
Commercial debtors, other accounts receivable	563,183	608,867
Other current assets	7,648	7,317
Cash and other equivalent assets	112,663	152,397
Current Assets	**714,880**	**797,502**
TOTAL ASSETS	**976,833**	**1,063,369**
Net worth of parent company	121,093	117,500
Minority interests	4,618	3,671
Net Worth	**125,711**	**121,171**
Long-term provisions	4,920	7,558
Long-term debt	215,124	272,922
Other non-current liabilities	19,286	19,135
Non-current Liabilities	**239,330**	**299,615**
Short-term provisions	98,779	121,367
Short-term debt	142,458	105,030
Commercial creditors & other accounts payable	355,665	401,009
Other current liabilities	14,890	15,177
Current Liabilities	**611,792**	**642,583**
TOTAL NET WORTH AND LIABILITIES	**976,833**	**1,063,369**

In thousands of Euros

Net Treasury Position

31-Mar-2017	Current	Non-current	TOTAL
Gross financial debt (*)	141,707	215,019	356,726
Cash and equivalent			112,663
Net financial debt			244,063

In thousands of Euros
(*) includes financial derivative instruments



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

Significant events in the period

- On 13 January the Company notified the amendment of the Internal Conduct Code.
- On 18 January the Company notified the award of a contract in a new market.
- On 15 February the Company notified the award of two contracts in Argentina.
- On 24 February the Company delivered information about the results of the second half of 2016.
- On 6 March the Company notified the appointment of Mr. José Carlos Cuevas de Miguel as CFO, replacing Mr. Pedro Peón Tamargo.
- On 23 March the Company notified certain actions within the framework of the debt refinancing process.

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