



TUBACEX's share capital stands at €59.84m, divided into 132,978,782 shares, each having a nominal value of €0.45. All of the company's share capital is traded on the official Spanish Stock Market. TUBACEX is quoted on the Madrid Stock Market General Index and has been listed on the new IBEX SMALL CAP index since July 1st.

## Stock Market

During the last financial year, the TUBACEX shares posted an 89.4% gain and rose from €1.89 per share on the last trading day of 2004 to €3.58 per share at the end of December 2005.

During the same period, the IBEX 35 recorded average gains of 18.2%, while the Madrid Stock Market General Index and the IBEX SMALL CAP, where TUBACEX is listed, increased their average price by 20.3 and 15.5%, respectively.

TUBACEX was the tenth share posting the largest gain on the official market of the Spanish Stock Exchange in 2005.

The TUBACEX shares also recorded gains over the "MSCI Europe Metals & Mining" Index (+53%), which includes the shares of the leading companies in the European iron and steel sector.

This is the fifth consecutive year when increases in the TUBACEX share price were recorded, which in general has resulted to a gain of 225.5% with respect to the share value at the end of 2000 (€1.10 per share).

The maximum price of the TUBACEX shares during the year was €3.90 per share and it occurred on September 26th. The lowest price, on the other hand, was €1.91 per share on January 3rd and 4th.

In 2005, 202.33m TUBACEX shares were traded, which was an increase of 109.1% with respect to the number of shares traded in 2004, which came to 96.76m shares.

These figures mean that there has been a 152.1% rotation during the year of the total number of the company's shares, which stood at 132.98m shares, and that the TUBACEX shares continue to offer great liquidity.

As far as the effective contracting is concerned, it rose to €593.62m, 264% higher than the contracted volume in the previous year, when it came to €163.06m.

The TUBACEX shares were listed on the 256 market days, with an average daily contracting of 790,356 shares and €2,318,820.

The company's market capitalisation as of December 31st 2005 stood at €476.06m, a figure that represent an increase of 89.4% with respect to the previous year end, when the capitalisation came to €251.33m.

## IBEX SMALL CAP

During the second half of 2005, TUBACEX joined the new IBEX SMALL CAP, made up of the 30 securities with the greatest free float adjusted capitalisation, excluding the 35 securities on the IBEX 35 and the 20 that are listed on the IBEX MEDIUM CAP. These two new indexes are aimed at improving the visibility and monitoring of the small and medium capitalisation securities.

They are tradable and replicable indexes, in other words, their calculation methods allows financial products based on them to be issued, such as exchange traded funds, derivative or index funds.

## STOCK MARKET INDICATORS OVER THE LAST THREE YEARS

	2005	2004	2003
LAST TRADING PRICE (In euros)	3.58	1.89	1.42
NET PROFIT PER SHARE (In euros)	0.191	0.116	0.045
PRICE/NET PROFIT PER SHARE (PER) (Times)	18.73	16.34	31.26
NET CASH FLOW PER SHARE (In euros)	0.309	0.229	0.159
PRICE/CASH FLOW PER SHARE (PCF) (Times)	11.59	8.25	8.94
BOOK VALUE PER SHARE (In euros)	1.55	1.40	1.31
PRICE/BOOK VALUE (Times)	2.31	1.35	1.09
DIVIDEND (In euros gross per share)	0.051	0.018	0.042
DIVIDEND/SHARE PRICE (YIELD) (%)	1.42	0.95	2.96
TOTAL AMOUNT OF DIVIDEND (In millions of euros)	6.76	2.42	5.58
DIVIDEND/NET PROFIT (PAY OUT) (%) (1)	50.0 (2)	40.0	34.2

(1) Of the net profits of the previous year. (2) Of the 2004 profits, according to Spanish accounting legislation, in force at the time of approving the dividend.

\*The company's market capitalisation over €476m  
 \*The company's treasury stock stands at 1.44% of the capital  
 \*TUBACEX shares recorded gains of 89.4% in 2005

## PROGRESS OF TUBACEX ON THE STOCK MARKET

	2005	2004	2003
SHARE CAPITAL (In millions of euros)	59.84	59.84	59.84
FACE VALUES OF SHARES (In euros)	0.45	0.45	0.45
SECURITIES TRADED (Thousands)	132,979	132,979	132,979
SHARE PRICE			
MAXIMUM	3.90	1.90	1.46
MINIMUM	1.91	1.40	1.13
LAST	3.58	1.89	1.42
ANNUAL APPRECIATION (%)	+89.4	+33.1	+13.6
TRADING FREQUENCY (%)	100	100	100
TRADING VOLUME			
MILLIONS OF SHARES	202.33	96.76	59.85
MILLIONS OF EUROS	593.62	163.06	79.10
TURNOVER (Times share capital)	1.52	0.73	0.45
MARKET CAPITALISATION (In millions of euros)	476.06	251.33	188.83

Thanks to the share's good market performance in 2005, the TUBACEX shares joined the IBEX MEDIUM CAP, made up of 20 medium capitalisation shares, on January 1st 2006. Now that it is quoted on that index, the company is one of the 55 securities with greatest free float adjusted market capitalisation of the Spanish market.

## Shareholders

The main TUBACEX shareholding stakes belong to Fidelity International Limited, with indirectly holds 7,992,150 shares that represent 6.01% of the company's capital and to Chase Nominees Limited, which directly holds 6,701,833 shares, 5.04% of the capital.

The other significant stakes are those held by Atalaya Inversiones SRL (4,080,820 shares) and Zoco Inversiones SRL (4,039,564 shares), investment companies belonging various savings banks that are managed and represented on the Board of Directors by

Ahorro Corporación Financiera. The aforementioned amounts represent 3.07% of the capital in the case of Atalaya Inversiones SRL and 3.04% in that of Zoco Inversiones SRL.

## Treasury stock

There have been no movements in the company's treasury stock during the financial year.

The number of TUBACEX shares held by Groups companies was 1,915,306, a figure that represents 1.44% of the capital, as of December 31st 2005.

## MONTHLY MONITORING OF TUBACEX SHARE TRADING IN YEAR 2005

MONTH	DAYS CONTRACTED	No. SECURITIES	EFFECTIVE (1)
JANUARY	20	19,530,817	39,763,990.60
FEBRUARY	20	28,102,378	66,598,083.30
MARCH	21	9,846,220	23,808,707.06
APRIL	22	19,879,658	50,982,290.58
MAY	21	14,006,450	38,613,602.48
JUNE	22	15,421,615	44,702,379.17
JULY	21	16,888,092	52,851,241.37
AUGUST	23	9,158,359	29,052,487.37
SEPTEMBER	22	28,530,182	100,913,101.43
OCTOBER	21	23,077,001	81,694,840.60
NOVEMBER	22	9,707,042	34,928,155.23
DECEMBER	21	8,183,398	29,708,985.58
<b>TOTAL</b>	<b>256</b>	<b>202,331,212</b>	<b>593,617,864.77</b>

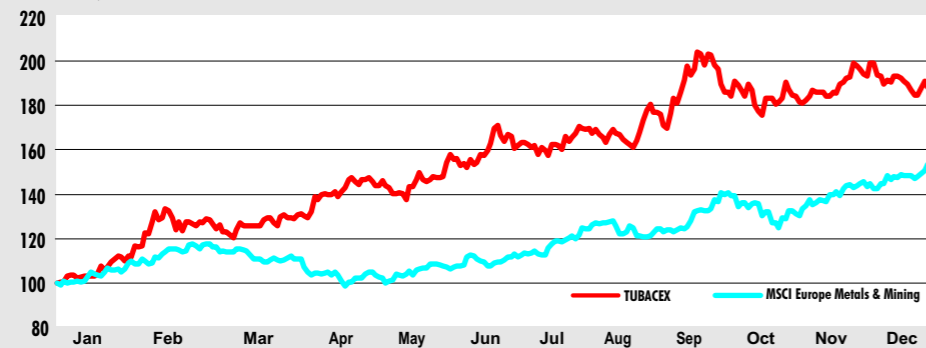
(1) Euros



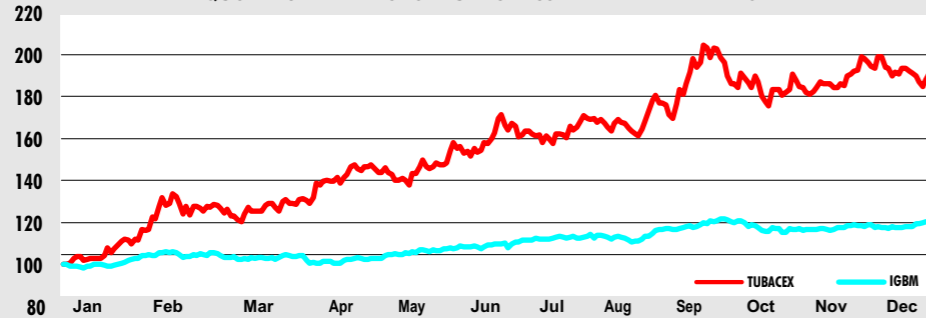
\*In 2005, over 202m TUBACEX shares were traded for nearly €600m

\*In 2005, 152% of the company's capital rotated

**QUOTED SHARE PRICE OF TUBACEX COMPARED WITH THE MSCI EUROPE METALS & MINING**



**QUOTED SHARE PRICE OF TUBACEX COMPARED WITH THE IGBM**



**ANALYSES OF TUBACEX CARRIED OUT BY STOCK MARKET COMPANIES IN 2005**

ANALYST	MONTH	RECOMMENDATION	TARGET PRICE (1)
BPI	January	Buy	2.45
Caja Madrid Bolsa	January	Hold	2.15
Citigroup	February	Buy	2.53
Banesto Bolsa	February	Buy	2.74
Crédit Agricole Indosuez Cheuvreux	February	Overweight	2.50
BPI	February	Accumulate	2.70
Banco Espirito Santo	February	Neutral	2.40
Banesto Bolsa	March	Buy	2.74
Crédit Agricole Indosuez Cheuvreux	March	Overweight	2.65
Caja Madrid Bolsa	April	Accumulate	2.85
Crédit Agricole Indosuez Cheuvreux	April	Overweight	2.85
Caja Madrid Bolsa	May	Accumulate	3.10
BPI	May	Reduce	2.70
Citigroup	May	Buy	3.30
Ibersecurities	May	Buy	3.06
Crédit Agricole Indosuez Cheuvreux	June	Overweight	3.15
BPI	June	Hold	2.85
Banesto Bolsa	June	Buy	3.68
Crédit Agricole Indosuez Cheuvreux	June	Underweight	3.15
Link Securities	July	Sell	3.01
Caja Madrid Bolsa	September	Accumulate	3.75
Crédit Agricole Indosuez Cheuvreux	September	Overweight	4.03
Banesto Bolsa	September	Buy	3.68
BPI	October	Buy	4.20
Fortis Bank	October	Buy	4.22
Ibersecurities	October	Sell	3.80
Banco Espirito Santo	October	Neutral	3.73
Citigroup	October	Buy	4.16

(1) Euros per share

The major changes that society has undergone in recent years highlight the fact that the company can no longer restrict its operations to purely industrial, commercial or financial concerns but must seek to embrace a business concept in which social issues take up an increasingly prominent position on its values scale.

The company is not an end in itself but a means of helping society to move forward, and now finds itself being required to make a more wide-ranging commitment not only to its shareholders, employees and customers, but to society as a whole. In the case of the industrial company, it must also strive to respect the environment.

There are many factors behind the increased importance companies now attach to social responsibility and their incorporation of it into their corporate strategies:

\*The new concerns and expectations of citizens, consumers, governments and investors within the context of globalisation and large-scale industrial change.

\*Social criteria are becoming increasingly influential in the investment decisions made by people and institutions in their capacity as consumers and investors.

\*Growing concerns with regard to damage caused to the environment by industrial activity.

\*Transparency in business activities brought about by the media and advanced information and communication technologies.

In such a context business ethics, good corporate governance, transparency, people management, knowledge, support for culture as well as the need to contribute to the development of people and society become tremendously important factors and constitute an investment in the creation of value.

The TUBACEX Group therefore believes it necessary to incorporate these principles into its strategy to enable business objectives to be considered in conjunction with the expectations of the main players with whom the Group interacts (customers, employees, shareholders, investors, etc.). In doing so it can guarantee the responsible use of resources and the adoption of policies that take the company's immediate environment into consideration.

Mindful of this, TUBACEX registered as a member of the United Nations Global Compact, a voluntary initiative of ethical commitment which asks companies from all over the world to embrace a set of principles of conduct and action in the areas of Human Rights, Employment and Environment as an integral part of their strategies and operations.

The Global Compact, introduced in the middle of 2000 on the initiative of the secretary general of the United Nations, Kofi Annan,

seeks to promote the creation of global corporate citizenship, that enables business interests and processes to be reconciled with the values and requirements of civil society.

The Global Compact, which has become one of the most prestigious international initiative in terms of sustainable development and social responsibility, sets out the following ten principles:

**The Principles of the Global Compact**

**Human Rights**

1. Support and respect to human rights.
2. Commitment to non-involvement in the abuse of human rights.

**Labour**

3. Respect to the freedom to the association and the right to collective bargaining.
4. Elimination of all forms of forced and compulsory labour.
5. Effective abolition of child labour.
6. Elimination of discrimination in respect of employment and occupation.

**Environment**

7. Application of a precautionary approach and respect for environmental problems.
8. Adoption of initiatives to promote greater environmental responsibility.
9. Development and diffusion of environmentally friendly technologies.

**Anti-Corruption**

10. Active fight against corruption.

This report on Corporate Social Responsibility aims to summarise and clearly set out the steps that TUBACEX Group has taken in this area.