

TUBACEX TUBOS INOXIDABLES S.A.

Tubacex Tubos Inoxidables S.A. (TTI) is the Group's flagship manufacturer and uses hot and cold processes to produce seamless stainless steel tubes. It has hot tube extrusion and finishing facilities in Llodio and a cold tube rolling mill in Amurrio, as well as sales offices in Europe, North America, Latin America and Asia.

*TTI sales reached €362m

Over the course of the year it recorded sales of €362.46m, representing a 53.1% increase on the previous year's figure of €236.79m.

Net profits at this subsidiary rose to €10.11m, representing an increase of 184.2% on the €3.56m registered in 2006. TTI generated EBITDA of €23.08m, making it 93.9% higher than the preceding year.

TTI has shareholder's equity of €65.18m, which represents 29.8% of the company's total liabilities.

SCHOELLER BLECKMANN EDELSTAHLROHR GmbH

Schoeller Bleckmann Edelstahlrohr GmbH (SBER) has industrial facilities in the Austrian town of Ternitz and is 100% owned by TUBACEX. Its sole activity is the manufacture of stainless steel tubes. The subsidiary enjoys considerable prestige within this market, one it has operated in under a variety of names for more than 160 years. The company became part of the TUBACEX Group in 1999.

SBER specialises in the manufacture of small-diameter tubes with a high added value, a complementary product in the Group's catalogue, and boasts a solid position in the European market, particularly in central and eastern Europe.

In 2007 the SBER Group recorded sales of €185.94m, a 29.4% increase on 2006, when it posted sales figures of €143.68m.

*SBER net profit increased by 68.6%

Its net profit rose to €13.87m, making it 68.6% up on the figure recorded in 2006. The EBITDA generated stood at €18.12m, 34.9% higher than in 2006.

The Austrian subsidiary has shareholder's equity of €54.44m, accounting for 44.2% of its total liabilities.

SALEMTUBE INC.

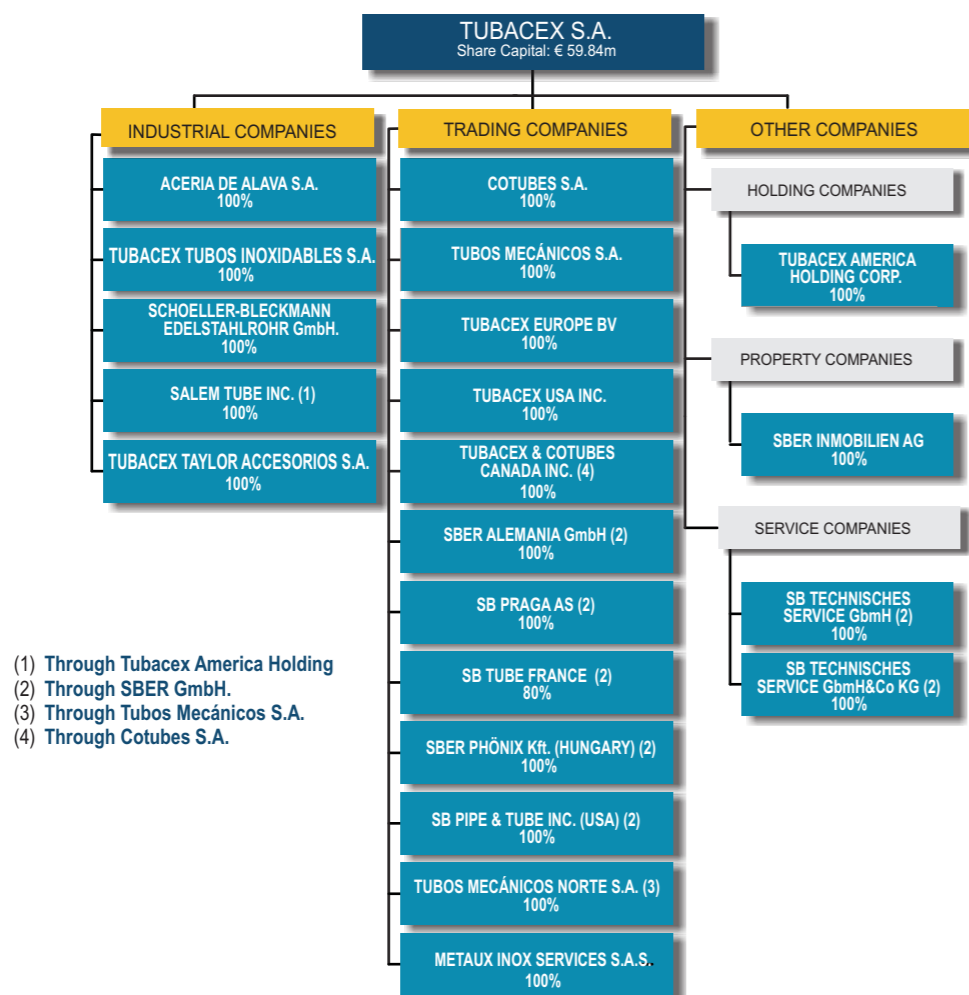
Salem Salem Tube Inc. is a Group subsidiary (through Tubacex America Holding) with industrial facilities

in Greenville (Pennsylvania), which manufactures cold-drawn seamless tubes in stainless steel and high-nickel alloys and super alloys.

Salem again recorded an exceptional financial year, setting new records for sales and profits, and the best results since it joined the Group. Sales in 2007 amounted to €37.57m, a rise of 14.6% over the 2006 figure of €32.78m.

Net profits for the year totalled €5.6m, 16.9% up on the 2006 results of €4.79m. EBITDA of €9.13m was generated, an increase of 10.8% on the figure for the previous year.

CORPORATE STRUCTURE OF THE TUBACEX GROUP



DEMAND SECTORS FOR PRODUCTS MANUFACTURED BY THE TUBACEX GROUP

Sectors	TTI Spain	SBER Austria	SALEM USA	ACERALAVA Spain	TTA Spain
Chemical and Petrochemical					
Energy					
Oil And Gas					
Mechanical					
Aerospace					
Electronics					
Food Industry					
Technologies					
Forging					
Rolling Long products Sections					

*Salem Tube net profit increased by 17%

The North American subsidiary has shareholder's equity of €16.72m, accounting for 72.9% of its total liabilities.

TUBACEX TAYLOR ACCESORIOS S.A.

Tubacex Taylor Accesorios SA. (TTA) is a subsidiary based in Arceniega (Álava) that manufactures curved sections in stainless steel and other carbon and alloy steels, as well as tube fittings. It is, therefore, a perfect complement to the Group's tube-manufacturing subsidiaries, and contributes considerable added value to the products they sell for industrial projects.

TTA sales for 2007 amounted to €13.05m, meaning an increase of 25.9% over the €10.37m recorded in 2006.

Net profits for the year reached €2.19m, a figure which represents an increase of 225.7% on the previous year. The EBITDA generated stood at €2.18m, 64.6% higher than in 2006.

TTA has shareholder's equity of €12.21m, accounting for 77.8% of its total liabilities.



COTUBESS.A.

Cotubes is a Group's commercial company that operates as a "master distributor" of seamless stainless steel tubes for the domestic and international market. Cotubes has the most extensive stock of stainless steel tubes in the national market and one of the largest in Europe. It also sells billets and round bars manufactured by Acería de Álava and curved sections made by Tubacex Taylor Accesorios.

Cotubes enjoyed a successful year, recording sales of €73.76m, an increase of 58.1% on the 2006 total of €46.66m.

Company profits stood at €1.42m, a rise of 44.6% on the previous year's figure of €0.98m. The EBITDA generated amounted to €3.34m, 73.4% up on 2006.

Cotubes has shareholder's equity of €5.93m, accounting for 12.4% of its total liabilities.

*Cotubes sales soared by 58%

GRUPO TUBOS MECANICOS

Grupo Tubos Mecánicos is based in Barcelona and markets what are known as mechanical tubes (hollow bars) in carbon steel for use in the manufacture of machined parts. It also sells tubes for hydraulic and pneumatic circuits, tubes for cylinders, lapped and pre-lapped items and chrome-plated bars, which are mainly used in the capital equipment industry.

The company has warehouse facilities in Alava, Barcelona, Madrid, Pontevedra, Valencia and Zaragoza.

Its sales for the year rose to €49.29m, 49.3% up on the 2006 figure of €33.01m.

Company net profits stood at €7.3m, doubling the figure obtained the previous year. The EBITDA generated rose to €10.76m.

Grupo Tubos Mecánicos has shareholder's equity of €22.21m, accounting for 41.4% of its total liabilities.

METAUX INOX SERVICES (MIS)

Metaux Metaux Inox Services (MIS) is a company based in Lyon that sells seamless stainless steel tubes in France.

Through this company, which was acquired in 2004, TUBACEX has improved the service it offers to distributors and stockists, Group customers in the French market.

In 2007, its third full financial year as part of TUBACEX, MIS recorded sales of €20.88m, showing an increase of 48.8%. It also registered profits of €0.66m, which means an increase of 2.3% over the previous year's figure.

MIS has shareholder's equity of €2.11m, accounting for 15.8% of its total liabilities.



ACERÁLAVA

BALANCE SHEET	Year 2007 Euros	Year 2006 Euros	PROFIT AND LOSS ACCOUNT	Year 2007 Euros	Year 2006 Euros
Assets			Income		
Fixed assets	20,595,812	22,688,779	Cost of material	422,069,812	284,370,052
Tangibles	20,414,468	22,049,453	Operating expenses	372,628,242	239,197,045
Financial	22,873	118,944		28,440,177	28,644,087
Other	158,471	520,382	Operating profit	21,001,393	16,528,920
Deferred expenses	0	0	Depreciation	4,509,505	4,192,303
Current assets	150,362,148	144,796,757	Net financial result	(7,037,404)	(3,582,736)
Available	413,970	17,830	Profits from ordinary activities	9,454,484	8,753,881
Other current assets	149,948,178	144,778,927	Extraordinary results	99,784	471,567
TOTAL	170,957,960	167,485,536	Profit before taxes	9,554,268	9,225,448
Liabilities			Taxes	2,629,811	2,791,619
Shareholders' equity	42,454,914	35,594,954	Net profit	6,924,457	6,433,829
Capital	7,299,944	7,299,944			
Reserves	28,230,513	21,861,181			
Results for the year	6,924,457	6,433,829			
Deferred income and provisions	1,294,302	279,302			
Long term creditors	105,313	311,030			
Current liabilities	127,103,431	131,300,250			
TOTAL	170,957,960	167,485,536			

SBER GROUP

BALANCE SHEET	Year 2007 Euros	Year 2006 Euros	PROFIT AND LOSS ACCOUNT	Year 2007 Euros	Year 2006 Euros
Assets			Income		
Fixed assets	30,401,721	27,182,331	Cost of material	191,074,482	145,187,814
Tangibles	26,477,409	19,837,320	Operating expenses	120,309,175	83,107,326
Financial	3,199,735	6,225,392		52,643,084	48,642,816
Other	724,577	1,119,619	Operating profit	18,122,223	13,437,672
Deferred expenses	45,703	494,837	Depreciation	3,963,878	3,956,831
Current assets	92,781,623	81,908,835	Net financial result	1,396,781	(334,736)
Available	6,126,428	6,818,580	Profits from ordinary activities	15,555,126	9,146,105
Other current assets	86,655,195	75,090,255	Extraordinary results	0	0
TOTAL	123,229,047	109,586,003	Profit before taxes	15,555,126	9,146,105
Liabilities			Taxes	1,686,981	919,540
Shareholders' equity	54,435,789	47,089,271	Net profit	13,868,145	8,226,565
Capital	3,500,000	3,500,000			
Reserves	37,067,644	35,362,706			
Results for the year	13,868,145	8,226,565			
Deferred income and provisions	8,171,910	7,661,747			
Long term creditors	910,000	910,000			
Current liabilities	59,711,348	53,924,985			
TOTAL	123,229,047	109,586,003			

T.T.I.

BALANCE SHEET	Year 2007 Euros	Year 2006 Euros	PROFIT AND LOSS ACCOUNT	Year 2007 Euros	Year 2006 Euros
Assets			Income		
Fixed assets	21,934,536	18,578,850	Cost of material	363,593,492	238,060,150
Tangibles	21,933,334	17,097,707	Operating expenses	256,770,412	162,257,281
Financial	1,202	1,481,143		83,739,342	63,896,191
Other	0	0	Operating profit	23,083,738	11,906,678
Deferred expenses	0	0	Depreciation	5,434,885	5,651,784
Current assets	196,491,940	139,851,298	Net financial result	(2,370,336)	(1,852,107)
Available	1,878,982	1,116,791	Profits from ordinary activities	15,278,517	4,402,787
Other current assets	194,612,958	138,734,507	Extraordinary results	(809,232)	(417,756)
TOTAL	218,426,476	158,430,148	Profit before taxes	14,469,285	3,985,031
Liabilities			Taxes	4,356,014	426,907
Shareholders' equity	65,177,615	55,664,464	Net profit	10,113,271	3,558,124
Capital	15,028,005	15,028,005			
Reserves	40,036,339	37,078,335			
Results for the year	10,113,271	3,558,124			
Deferred income and provisions	4,261,215	867,549			
Long term creditors	1,751,395	1,009,740			
Current liabilities	147,236,251	100,888,395			
TOTAL	218,426,476	158,430,148			

SALEM TUBE INC.

BALANCE SHEET	Year 2007 Euros	Year 2006 Euros	PROFIT AND LOSS ACCOUNT	Year 2007 Euros	Year 2006 Euros
Assets			Income		
Fixed assets	6,200,019	4,938,663	Cost of material	37,573,167	32,785,626
Tangibles	6,195,220	4,930,066	Operating expenses	26,523,248	22,770,866
Financial	0	0			
Other	4,799	8,597	Operating profit	11,049,919	10,014,760
Deferred expenses	0	0	Depreciation	2,616,595	2,496,363
Current assets	16,723,361	16,134,819	Net financial result	214,298	97,197
Available	559,639	3,148,258	Profits from ordinary activities	8,647,621	7,615,594
Other current assets	16,163,722	12,986,561	Extraordinary results	0	0
TOTAL	22,923,380	21,073,482	Profit before taxes	8,647,621	7,615,594
Liabilities			Taxes	3,051,668	2,826,136
Shareholders' equity	16,721,240	16,244,832	Net profit	5,595,953	4,789,458
Capital	4,111,277	4,111,277			
Reserves	7,014,010	7,344,096			
Results for the year	5,595,953	4,789,458			
Deferred income and provisions	0	0			
Long term creditors	855,918	996,961			
Current liabilities	5,346,222	3,831,689			
TOTAL	22,923,380	21,073,482			

T.T.A.

BALANCE SHEET	Year 2007 Euros	Year 2006 Euros	PROFIT AND LOSS ACCOUNT	Year 2007 Euros	Year 2006 Euros
Assets			Income	13,052,476	10,368,554
Fixed assets	1,827,986	2,728,934	Cost of material	6,557,345	5,324,537
Tangibles	1,773,128	1,227,458	Operating expenses	4,311,270	3,717,226
Financial	4,701	1,501,476			
Other	50,157	0	Operating profit	2,183,861	1,326,791
Deferred expenses	1,777	0	Depreciation	187,566	162,138
Current assets	13,855,094	16,584,775	Net financial result	(48,757)	(163,966)
Available	973,400	661,678			
Other current assets	12,881,694	15,923,097	Profits from ordinary activities	1,947,538	1,000,687
TOTAL	15,684,857	19,313,709	Extraordinary results	(38,517)	(3,463)
Liabilities			Profit before taxes	1,909,021	997,224
Shareholders' equity	12,210,278	10,021,547	Taxes	(279,710)	325,095
Capital	8,890,593	8,890,593	Net profit	2,188,731	672,129
Reserves	1,130,954	458,825			
Results for the year	2,188,731	672,129			
Deferred income and provisions	166,792	201,083			
Long term creditors	22,670	963,740			
Current liabilities	3,285,117	8,127,339			
TOTAL	15,684,857	19,313,709			

GRUPO TUBOS MECANICOS

BALANCE SHEET	Year 2007 Euros	Year 2006 Euros	PROFIT AND LOSS ACCOUNT	Year 2007 Euros	Year 2006 Euros
Assets			Income	50,019,670	33,302,870
Fixed assets	9,329,257	8,648,854	Cost of material	32,389,135	19,759,277
Tangibles	9,089,343	8,197,026	Operating expenses	6,867,845	7,040,158
Financial	1,377	451,828			
Other	238,537	0	Operating profit	10,762,690	6,503,435
Deferred expenses	0	0	Depreciation	488,151	471,340
Current assets	44,251,342	32,504,602	Net financial result	(985,667)	(422,060)
Available	4,244,340	3,030,926			
Other current assets	40,007,002	29,473,676	Profits from ordinary activities	9,288,872	5,610,035
TOTAL	53,580,599	41,153,456	Extraordinary results	0	39,000
Liabilities			Profit before taxes	9,288,872	5,649,035
Shareholders' equity	22,204,516	16,192,724	Taxes	1,993,000	2,098,000
Capital	5,436,974	5,436,974	Net profit	7,295,872	3,551,035
Reserves	9,471,670	7,204,715			
Results for the year	7,295,872	3,551,035			
Deferred income and provisions	0	0			
Long term creditors	3,920,910	5,437,765			
Current liabilities	27,455,173	19,522,967			
TOTAL	53,580,599	41,153,456			

COTUBES

BALANCE SHEET	Year 2007 Euros	Year 2006 Euros	PROFIT AND LOSS ACCOUNT	Year 2007 Euros	Year 2006 Euros
Assets			Income	73,761,558	46,656,442
Fixed assets	260,583	382,079	Cost of material	66,415,127	42,946,680
Tangibles	196,601	278,095	Operating expenses	4,009,060	1,784,642
Financial	42,193	48,895			
Other	21,789	55,089	Operating profit	3,337,371	1,925,120
Deferred expenses	0	0	Depreciation	116,483	122,335
Current assets	47,474,457	32,193,119	Net financial result	(1,054,153)	(461,779)
Available	838,524	195,306			
Other current assets	46,635,933	31,997,813	Profits from ordinary activities	2,166,735	1,341,006
TOTAL	47,735,040	32,575,198	Extraordinary results	(74,206)	0
Liabilities			Profit before taxes	2,092,529	1,341,006
Shareholders' equity	5,934,396	5,011,099	Taxes	669,232	357,472
Capital	1,141,900	1,141,900	Net profit	1,423,297	983,534
Reserves	3,369,199	2,885,665			
Results for the year	1,423,297	983,534			
Deferred income and provisions	296,736	66,736			
Long term creditors	0	0			
Current liabilities	41,503,908	27,497,363			
TOTAL	47,735,040	32,575,198			

