Results for the year 2014

EBITDA up 25.1%, reaching 64.1 million Euros

TUBACEX NEARLY DOUBLES PROFIT BEFORE TAX AND REDUCES DEBT BY 22% IN 2014.

- The net financial debt has been reduced by 43 million Euros and stands at 2.4 times EBITDA

- EBITDA over sales reaches 11.7%

- TUBACEX has successfully completed the first phase of its Strategic Plan in 2014 and launches the second one, focusing on growth

- With the recent acquisitions of IBF and Prakash, TUBACEX has become the leading global manufacturer of seamless stainless steel tubular solutions

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Llodio, 26 February 2015.- TUBACEX, the leading manufacturer of seamless stainless steel tubes worldwide, obtained a profit before tax of 32.6 million Euros in 2014, which implies nearly doubling the figures of 2013 (+96.6%), according to the information sent by the company to the Spanish Securities Exchange Commission (CNMV).

The development of operational excellence programs and the increased sale of *Premium* Products "has allowed us to reach very positive results, despite an unfavorable market environment", said TUBACEX CEO, Jesús Esmorís.

Thus, the progress in these two strategic lines has placed the gross operating profit (EBITDA) at 64.1 million Euros, implying an increase of 25.1% against 2013. The EBITDA margin for the year stood at 11.7% (9.3% in 2013), complying and vastly overcoming the goals set for this phase and nearly reaching the strategic goal of 12% expected for Phase II of the Strategic Plan.

On the other hand, the operating profit (EBIT) has increased by 38.5%, reaching 43.7 million Euros. The EBIT on sales margin stands at 8%, compared with 5.7% in 2013.

The value of consolidated sales for the year has reached 546.7 million Euros, a figure quite similar to the one registered in 2013.

Debt reduction

Net financial debt has dropped during the year by 43.1% million Euros and stands at 151.5 million Euros, which represents a decrease of 22.1% on the previous year. The net financial debt over EBITDA ratio stands at 2.4 times (3.8 times in 2013), fulfilling the strategic goal of keeping debt below three times EBITDA.

On the other hand, the effort made in the management of the working capital has enabled TUBACEX to reduce its working capital to 202.4 million Euros, which represents 37.0% of sales for the past twelve months, below the strategic objectives set out in Phase I (45%) and Phase II (40%).

Strategic Plan: growth phase

The 2014 financial year closes Phase I of the 2013-2017 Strategic Plan, which focused on strengthening the financial position and improving the company's results, fulfilling all the established goals and reaching on some occasions the ratios foreseen for the end of Phase II. For this reason, in July, TUBACEX reported that it was bringing forward Phase II of the Plan, focusing on growth.

In this sense, the company recently announced the acquisition of the companies IBF, in Italy, and Prakash, in India, operations that fulfill the strategic goal of transforming TUBACEX in a benchmark supplier in tubular solutions, since these acquisitions complete the product portfolio and strengthen its presence in the markets with better growth prospects.

Following these acquisitions, TUBACEX has become the worldwide leading manufacturer of seamless stainless steel tubular solutions and the only manufacturer capable of offering the entire dimensional range.

Furthermore, the Group has industrial platforms in Spain, Austria, USA, Italy, China and India.

Esmorís: "We will emerge stronger from this crisis"

As regards the current year, Jesús Esmorís pointed out that "the market environment for 2015 is complicated", with a significant fall in oil prices, which is causing a delay in some investments. However, "TUBACEX is firmly committed to its strategy of becoming a benchmark supplier in tubular solutions for the Oil and Gas sectors" and believes that "the current oil prices are not sustainable".

TUBACEX CEO added that the significant improvements achieved in Phase I of the Strategic Plan "have placed us in a better position to face this unfavorable market. We have no doubt that by relying on our Business Strategy, with a focus on *Premium* Products, on our Operational Strategy, based on continuous improvement, and applying a strict cost control policy, we will come out of this crisis in a stronger position".

EVOLUTION OF FULL-YEAR CONSOLIDATED RESULTS

	2014	2013	% 2014/2013
SALES	546.7	554.1	-1.4%
GROSS OPERATING PROFIT (EBITDA)	64.1	51.3	+25.1%
EBITDA OVER SALES MARGIN (%)	11.7%	9.3%	n.a.
OPERATING PROFIT (EBIT)	43.7	31.5	+38.5%
EBIT OVER SALES MARGIN (%)	8.0%	5.7%	n.a.
PROFIT BEFORE TAX (PBT)	32.6	16.6	+96.6%
EBT OVER SALES MARGIN (%)	6.0%	3.0%	n.a.
NET PROFIT (NP)	23.8	15.0	+58.2%
NP OVER SALES MARGIN (%)	4.3%	2.7%	n.a.
NET FINANCIAL DEBT / EBITDA (Times)	2.4	3.8	n.a.

Figures in millions of Euros.   n.a.: not applicable