



Results January - September 2014



EBITDA up 26.9%, reaching 49 million Euros

TUBACEX INCREASES PROFIT BEFORE TAX BY 97% UP TO SEPTEMBER

- The net financial debt has been reduced by 45 million Euros and stands at 2.4 times EBITDA

-TUBACEX accelerates the fulfillment of its strategic objectives related to EBITDA on sales, net financial debt and working capital

Llodio (Spain), 11 November 2014.- TUBACEX, the second global manufacturer of seamless stainless steel tubes, obtained a profit before tax of 25.2 million Euros from January to September 2014, representing an increase of 96.9% compared to that for 2013, 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 have led to a significant improvement in results and margins, in spite of the deterioration of the macroeconomic climate in the third quarter.

In this respect, it must be highlighted that these results accelerate the fulfillment of several objectives set out in the Strategic Plan, such as those related to the EBITDA on sales margin, net financial debt and working capital.

Therefore, the gross operating profit (EBITDA) reached 49 million Euros, which represents growth of 26.9% on 38.6 million Euros for the first nine months in 2013. The EBITDA on sales margin stands at 12.3% for January to September (9.4% for the same period in 2013), above the strategic target of 12% set out for Phase II of the Strategic Plan.

The operating profit (EBIT) has increased by 40.7%, reaching 33.9 million Euros. The EBIT on sales margin stands at 8.5%, compared with 5.9% in 2013.



The consolidated sales figure for the first nine months of the year stood at 400 million Euros with an alloy surcharge that has remained considerably lower than 2013, with the exception of the third quarter of the year. If the nickel price had remained steady, sales for the first nine months of 2014 would have been similar to those registered in 2013.

Net Financial Debt decreased between January and September by 45 million Euros and stands at 149.6 million Euros, whereby the Net Financial Debt over EBITDA ratio stands at 2.4 times (3.8 times in September 2013), fulfilling the strategic goal of keeping debt under three times EBITDA.

The TUBACEX CEO, Jesús Esmorís, has pointed out the Group's commitment to its objective of financial debt of less than three times EBITDA and has assured that "this commitment is firm and will continue to be fulfilled following the acquisition of IBF", the Italian company of which it has acquired a 65% stake.

On the other hand, the effort made in the management of the working capital has enabled TUBACEX to reduce its working capital to 210.1 million Euros, which represents 38.8% of sales for the past twelve months, below the strategic objectives set out in Phase I (45%) and Phase II (40%).

Jesús Esmorís, has shown his "full confidence in the company's solid Management Plan" in spite of the increased uncertainty in the market due to the deterioration of the international macro environment and the sharp fall in the price of oil over recent weeks. Esmorís added that he has every confidence that "these temporary factors will not affect the fulfillment of our Strategic Plan".

EVOLUTION OF CONSOLIDATED RESULTS JANUARY - SEPTEMBER

	2014	2013	% 2014/2013
SALES	400.0	412.0	-2.9%
RESULT GROSS OPERATING PROFIT (EBITDA)	49.0	38.6	+26.9%
EBITDA OVER SALES MARGIN (%)	12.3%	9.4%	n.a.
OPERATING PROFIT (EBIT)	33.9	24.1	+40.7%
EBIT OVER SALES MARGIN (%)	8.5%	5.9%	n.a.
PROFIT BEFORE TAX (EBT)	25.2	12.8	+96.9%
EBT OVER SALES MARGIN (%)	6.3%	3.1%	n.a.
NET FINANCIAL DEBT / EBITDA (Times)	2.4	3.8	n.a.

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