

Results of the 2013 financial year



The EBITDA grew by 12%, reaching 51.26 million Euros

TUBACEX REGISTERED NET PROFITS OF 15 MILLION EUROS IN 2013, ACHIEVING AN INCREASE OF 26.6%

- Gross cash generation stands at 128 million Euros
- Net financial debt was reduced by 67.72 million Euros

Llodio, 27 February 2014.- TUBACEX, the second global manufacturer of seamless stainless steel tubes, obtained consolidated net profits of 15.01 million Euros during 2013, representing an increase of 26.6% with respect to the figures of 2012, according to the information sent by the company to the Spanish Securities Exchange Commission (CNMV).

The Group's consolidated sales reached 554.15 million Euros, which implies an increase of 4.1%, compared to the sales in 2012. This growth is a result of the increase of invoicing and the improvement of the product mix, which has allowed the Group to offset the strong dip in the nickel prices experienced during the year and the effect that the alloy surcharge has on the Group's sales.

The gross operating profit (EBITDA) has increased by 12%, reaching 51.26 million Euros, showing a significant improvement in the EBITDA on sales margin, which stood at 9.3%, compared to the 8.6% achieved in 2012. This improvement in the Group's margin is even greater if we eliminate the effect of destocking initiatives (9.9% vs. 8.1% in 2012), which is in line with the goals set out for 2014 in the Strategic Plan.

TUBACEX CEO, Jesús Esmorís, has highlighted that this improvement in results and margins has been achieved in a financial year that has unfolded "in an unfavorable market environment, characterized by macroeconomic uncertainties, the constant drop of the prices of raw materials and the current reduction in the demand, especially in the distribution market".

Despite this environment, TUBACEX has continued to make progress in its two strategic pillars, the increase of high value-added products and operational excellence, with important improvements in terms of productivity and efficiency, which would significantly enhance results in more favorable market conditions.



In addition to the improvement of results and margins, it is important to highlight the company's cash generation figures, which reached 128.0 million Euros before capital expenditure, taxes and financial expenses. This generation of gross cash has been possible thanks to the efforts developed by the company in improving the management of the Group's working capital, resulting in its reduction by 76.7 million Euros. The generated cash, in turn, has allowed to reduce the net financial debt by 67.72 million Euros, closing the financial year with 194.58 million Euros, thus reaching the Group's corporate goal of keeping debt below 200 million Euros.

The ratio of net financial debt over EBITDA was 3.8 times at the end of 2013, compared to 5.7 times at the close of 2012, hence making progress in one of the company's strategic objectives, which aims to place financial debt 3 times below EBITDA in 2014.

Regarding the current financial year, Jesús Esmorís, has said that TUBACEX will continue to make efforts to improve the product portfolio, the increase of the internal efficiency and the control of working capital, which "will allow us to continue to advance in the improvement of our results, throughout this year".

EVOLUTION OF FULL-YEAR CONSOLIDATED RESULTS

	2013	2012	2011	% 2013/2012
SALES	554.15	532.42	486.60	+4.1%
RESULTS GROSS OPERATING PROFIT (EBITDA)	51.26	45.78	27.21	+12.0%
EBITDA OVER SALES MARGIN (%)	9.3%	8.6%	5.6%	+7.6%
OPERATING PROFIT (EBIT)	31.52	26.55	6.50	+18.7%
NET PROFIT	15.01	11.86	3.66	+26.6%

Figures in millions of Euros.