



PRESS RELEASE

Tubacex's new Strategic Plan 2008-2012 envisages 150 million euros in investments

TUBACEX ACHIEVES NET PROFITS OF 28 MILLION EUROS IN THE FIRST HALF OF 2008

(Llodio, 29 July 2008).- TUBACEX, the world's second largest seamless stainless steel tube manufacturer, is already working on its new Strategic Plan, which will take in the period up to and including 2012. Some of the Plan's main courses of action were announced at the last Annual General meeting of Shareholders. This Plan envisages investments for the amount of 150 million euros over the next five years and seeks to increase the Company's current operating profitability levels by 80% by the end of this period.

The goal of the Group's new Strategic Plan is to consolidate its leadership position in the seamless stainless steel tube sector and become the world's largest manufacturer of these items. To achieve this, TUBACEX is developing production capabilities in those segments which involve a higher level of specialisation and added value within the oil, gas and energy sectors in which highest growth is expected, as well as in oil and gas exploration and extraction in critical conditions (offshore and deep water), power generation in plants using new technology and nuclear energy. The new Plan contemplates inorganic growth projects outside the current geographical production area (Europe and the U.S.A.).

In the first half of 2008, TUBACEX has obtained a consolidated net profit of 28 million euros, as the Company has disclosed in its information sent to the Spanish National Stock Market Commission (*Comisión Nacional del Mercado de Valores - CNMV*). This figure represents a reduction of 7% compared to the net profit obtained in the first half of 2007, a period characterised by an extraordinary increase in the nickel price. It also represents, however, an increase of 6% over the net profit obtained in the second half of 2007.

TUBACEX places a very positive evaluation on these figures, obtained in a period affected by the consequences of the transport strike on invoicing in June, fewer days of industrial activity than in the same period of 2007, the strong correction experienced in the price of nickel (an average of 39% lower than in the same period in 2007) and the noticeable slowdown due to the strength of the euro against the US dollar.

Consolidated sales between January and June amounted to 355.9 million euros, representing an increase of 3.2% over the first half of 2007, when the figure achieved was 367.5 million euros.

The gross operating profit (EBITDA) to June stood at 54.2 million euros, 7.9% lower than in 2007, while the operating profit (EBIT) decreased by 9.7% to 45.2 million euros.

In this current difficult macroeconomic scenario, the Company's fundamental factors remain solid and the forecasts for financial year 2008 as a whole are very positive, in view of the very



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strong world demand for seamless stainless steel tubes, the major operating improvements implemented in all the Group and the volume and quality of the current order book.

EVOLUTION OF CONSOLIDATED RESULTS: JANUARY-JUNE

	2008	2007	% 2008/2007
SALES	355.86	367.49	-3.2%
GROSS OPERATING PROFIT (EBITDA)	54.23	58.91	-7.9%
OPERATING PROFIT (EBIT)	45.19	50.05	-9.7%
NET PROFIT	27.97	30.20	-7.4%

Figures in millions of euros. Unaudited provisional data.