



## PRESS RELEASE

### Net debt decreased by 59 million euros in the period

## TUBACEX OBTAINS 3.2 MILLION EUROS OF POSITIVE EBITDA IN THE FIRST HALF OF 2009

**(Llodio, 4 August 2009).**- TUBACEX, the world's second largest seamless stainless steel tube manufacturer, obtained Earnings Before Interests, Taxes, Depreciation and Amortization (EBITDA) of 3.2 million euros during the first half of 2009, according to the information sent by the company to the Spanish National Stock Market Commission (*Comisión Nacional del Mercado de Valores - CNMV*).

Group activity during these first six months of the year were deeply affected by the serious international economic crisis and stagnation of activity levels in most industrial sectors, leading to very low demand for tubes. In this situation, the company attained sales of 239.3 million euros to June, 32.8% lower than in the same period of 2008, and recorded losses, like all companies in the seamless stainless steel tube manufacturing sector, that amounted to 9.7 million euros in the half.

Faced with this situation, in 2008 TUBACEX launched a set of measures intended to mitigate the effects of the crisis, and has continued to apply them since, for which it is making a great effort to reduce stock levels, to optimize its working capital and to continuously apply competitiveness and cost reduction schemes in the Group's different business units. These actions have enabled a cash generation of 58.8 million euros in the first half, thus reducing the Group's net debt to 157 million euros, 27% less than at the end of financial year 2008. Moreover, the Company has applied the labour temporal adjustment approved by Acerálava and Tubacex Tubos Inoxidables in a limited manner, allowing the underactivity of Group plants to be cut as much as possible.

Nonetheless, a recovery in volumes of order intake took place in July, backed by some positive factors such as the stabilisation, with an upward trend, of the prices of raw materials used by the Group in its production process, the recovery in oil prices and the improvement in business confidence and in investment prospects in Asia and the U.S.A., among others.

In addition, TUBACEX is working intensively on developing its business project, committed to manufacturing very high value added products, for which it has already successfully commissioned a new rolling facility in Amurrio, specialising in oil and gas extraction tube (OCTG) in high alloys, and will have a new umbilical (offshore) tube production plant in Austria that will become operational in the last quarter of 2009. In the same way, development of the strategic alliance with the Vallourec & Mannesmann Group will strongly increase the Group's product portfolio in coming months, especially in the oil, gas and power generation sectors.



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The Company is making all the investments foreseen in its strategic plan and, even being aware that the difficult market situation will continue to have a negative effect on results for the current year, maintains absolute confidence in its international position and in the recovery of final demand for high added value products destined for the energy, oil and gas sectors.

### EVOLUTION OF CONSOLIDATED RESULTS: JANUARY-JUNE

	<b>2009</b>	<b>2008</b>	<b>% 2009/2008</b>
SALES	239.31	355.86	-32.8%
GROSS OPERATING PROFIT (EBITDA)	3.24	54.23	-94.0%
OPERATING PROFIT (EBIT)	-6.40	45.19	n.a.
NET PROFIT	-9.68	27.97	n.a.

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