



PRESS RELEASE

Group net debt decreased by 75 million euros in the period

TUBACEX OBTAINS POSITIVE EBITDA OF 0.35 MILLION EUROS TO SEPTEMBER

(Llodio, 30 October 2009).- TUBACEX, the world's second largest seamless stainless steel tube manufacturer, obtained positive gross operating profits (EBITDA) of 0.35 million euros between January and September 2009, according to the information sent by the company to the Spanish National Stock Market Commission (*Comisión Nacional del Mercado de Valores - CNMV*).

The acute international economic crisis and the deterioration of activity levels in most industrial sectors have seriously affected demand for tube and tube prices, with the resulting effect on the activity of the Group, whose sales in the first nine months of the year decreased by 39.3% to 303.43 million euros. Like the other companies in the seamless stainless steel tube sector, the Company has recorded net losses of 15.74 million euros between January and September.

TUBACEX is making an important effort by applying measures to mitigate the effects of the crisis, with the continual implementation of competitiveness schemes, cost improvements and expenditure reductions in the different units in the Group, while also working to reduce stocks and optimise the use of working capital. As a result of these actions, cash generation stood at 75 million euros between January and September, while net debt was reduced to 140.7 million euros, making it 35% lower than at the close of financial year 2008.

With the start of a slight recovery in other nearby industrial sectors, TUBACEX is confident that this market recovery will also reach the seamless stainless steel sector in coming months, influenced by the increase in the oil price, the advent of recovery in many Western economies, the improvement in business confidence and in investment prospects, especially in the United States of America and Asia.

TUBACEX is still 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 special alloys, and will have a new umbilical (offshore) tube production plant in Austria that will become operational in late 2009. In the same way, development of the strategic alliance with the Vallourec & Mannesmann Group will strongly increase the Group's portfolio in coming months, especially in the oil, gas and power generation sectors, so we are fully convinced that the Company shall emerge from this crisis stronger and more competitive.

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 recovery of final demand for high value added products destined for the energy, oil and gas sectors.



PRESS RELEASE

EVOLUTION OF CONSOLIDATED RESULTS: JANUARY-SEPTEMBER

	2009	2008	% 2009/2008
SALES	303.43	500.26	-39.3%
GROSS OPERATING PROFIT (EBITDA)	0.35	71.14	-99.5%
OPERATING PROFIT (EBIT)	-12.90	58.78	n.a.
NET PROFIT	-15.74	37.16	n.a.

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