Financial results FY2015

TUBACEX reports a sales drop of 2.4% amid a very weakened market situation

Net cash generation before acquisitions amounted to €37 million

- **2015 has been difficult due to a large fall in demand between 30% and 50% in the sector**
- **TUBACEX strategic plan has succeeded in minimizing the impact of the declining oil and nickel prices which led to the market collapse**
- **Tubacex sales in 2015 amounted to €533.4 million, representing a drop of just 2.4% in relation to 2014**
- **EBITDA was at €48.9 million, 23.7% below the previous FY, with a sales margin of 9.2%**
- **Net profit was €8.4 million and a dividend of €0.0259 per share will be distributed in line with the Strategic Plan commitment**

Llodio, February 26, 2016. Today TUBACEX reported a drop in sales of just 2.4% for the FY2015, a difficult year marked by a progressive and sharp market slump. This result was achieved thanks to rapid product diversification as well as the integration of new companies.

The great fall in the price of raw materials and oil led to a high collapse in demand from 30% to 50% in the sector. Despite this, TUBACEX sales amounted to €533.4 million with a net profit of €8.4 million in 2015.

The gross operating profit (EBITDA) was €48.9 million, with a sales margin of 9.2%, representing a 23.7% reduction in relation to the previous FY2014. This figure is particularly remarkable considering the current situation of the power, iron & steel and raw materials sectors.

TUBACEX Board of Directors has proposed a payment of €0.0259 per share dividend, which accounts for a 40% payout of the consolidated profit.

"Reporting an EBITDA close to €50 million in the current environment, generating a positive net result and cash flow generation of €37 million before acquisitions, prove TUBACEX capacity to anticipate and manage crisis situations as well as showing the validity of our strategic plan and management model launched", highlighted TUBACEX CEO, Jesús Esmoris. "TUBACEX boasts differential attributes which enable us to manage and partially mitigate this very negative market environment".

In the last three financial years, TUBACEX has generated €150 million in cashflow before acquisitions and developed a financial strategy which will help the company meet debt maturities of the forthcoming 3-4 years even in the worst scenario.

The Net Financial Debt over EBITDA ratio at the end of the year was 4.5x, over the target of 3x. This is a temporary situation and the result of the upheld commitment to investments securing the medium and long term, as well as the integration of complementary businesses with a positive impact on results within a reasonable period.

TUBACEX estimates FY2016 will be hugely influenced by the market situation, the fall in raw materials and declining prices in the first quarter. From the second quarter onwards, a gradual improvement is expected on the basis of the current project winning level and increased company market share in strategic added-value products.

About TUBACEX

TUBACEX is a multinational group with its headquarters in Alava and a global leader in the manufacture of stainless steel and high-alloyed seamless tubes. It has production plants in Spain, Austria, China, Italy, the United States and India with service centers in Brazil, France, and Houston, as well as subsidiaries and sales offices in fourteen countries.

The oil & gas, petrochemical and power generation industries are the main sectors demanding the tubes manufactured by TUBACEX.

TUBACEX has been listed on the Spanish Stock Market since 1970 and is part of the "IBEX SMALL CAPS" Index.

www.tubacex.com

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