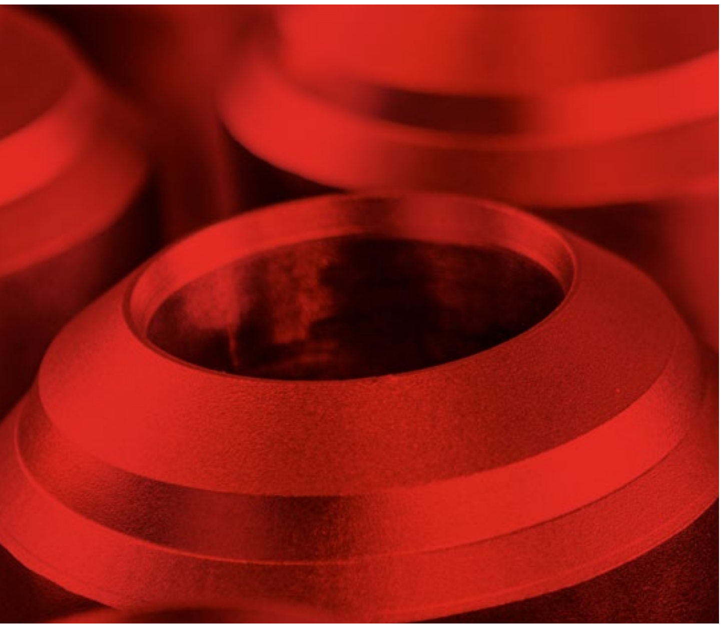
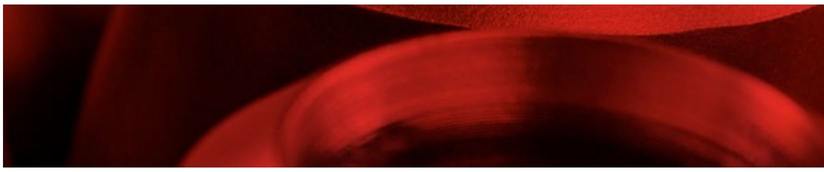
Presentation of the results

4th QUARTER OF 2017



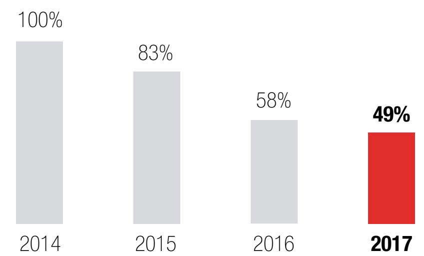
“We are turning the corner of the worst crisis in history and look to the future with optimism and peace of mind, in the knowledge that we have done our homework in the last three years”



For the last three years we have witnessed the worst crisis in the oil sector history. The industry CAPEX has dramatically shrunk leading to an unprecedented drop in manufacturing volumes and fierce price competition. Despite this situation, the good position enjoyed by TUBACEX in the Premium segment combined with ongoing efforts to boost efficiency and control costs have enabled us to sail through this crisis and maintain reasonable results. Today, the best news we have is that the worst part of the crisis seems to be over. We are now beginning to see green shoots of recovery in the sector. Oil price stabilization at more normalized levels, the increased price of raw materials and the re-activation of projects which had been put on the back burner in recent years, contribute to revealing the light at the end of the tunnel. Nevertheless, it is worth taking into account that this recovery will still take some time to materialize with a peaked demand for our products. In spite of this and thanks to our current order backlog in excess of €700 million, we can now state that TUBACEX will significantly improve its results for 2018. We have decided to make the most of this outstanding backlog visibility to make extraordinary adjustments in this quarter and accelerate our current industrial plans, and in particular, restructuring our Austrian subsidiary and increasing the capacity of our Indian subsidiary. Our aim is always to achieve the best positioning possible to benefit from the market recovery, when it happens. Without these adjustments, the operating profit of the financial year would have been in line with the previous financial year.

Contracts awarded

For Upstream, Midstream, Downstream and PowerGen projects in ($M) using 2014 as a baseline.

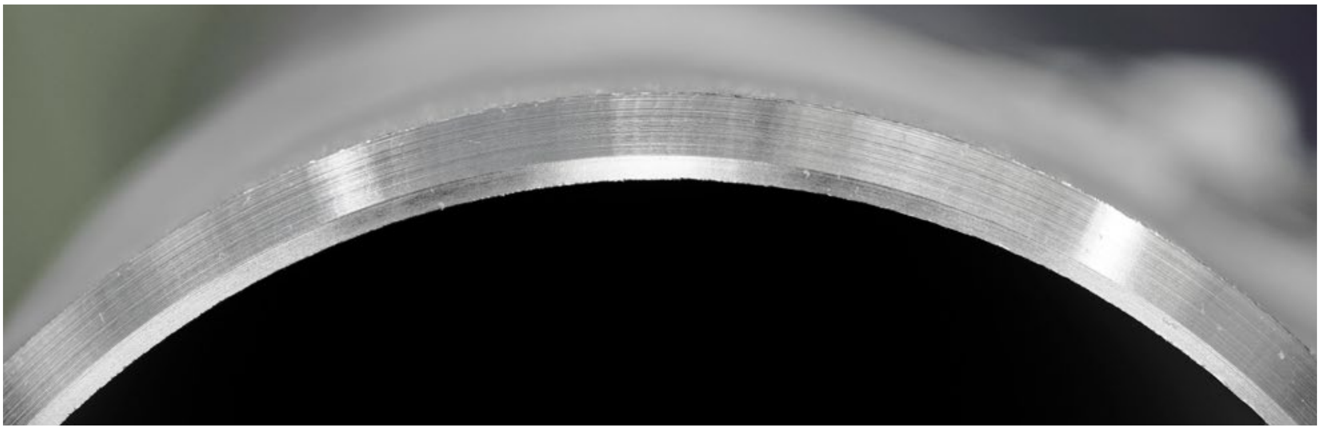


Source: EIC Projects Databasis, TUBACEX

Regarding the Balance Sheet, we would like to highlight that the debt increase experienced in 2017 is associated with the working capital increase, corresponding to the sales of major Premium product projects which will start invoicing in March. As a result, as from the second quarter the debt and working capital situation will return to normal and we will close the financial year with a debt level closer to our 3x over EBITDA strategic target.

By 2018, we expect a year of significantly improved results and margins, returning to pre-crisis levels. This improvement will become visible on a quarterly basis, from the first quarter. In sum, we are turning the corner of the worst crisis in history and look to the future with optimism and peace of mind, in the knowledge that we have done our homework in the last three years.

Jesús Esmorís
CEO



1 Market environment

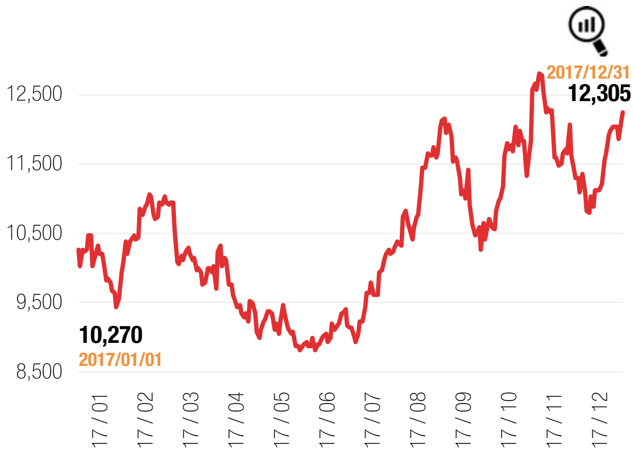
The global economy is enjoying a good growth rate and indicators continue to forecast an accelerated global activity. In addition to robustness as a defining feature, this growth is also more evenly spread among countries than in previous quarters.

The prices of **raw materials** have maintained a strong upbeat trend since June, and this has enabled the losses accumulated during the first semester to be offset. As a reference in our industry, **nickel** closed the year at $12,305 per ton, up 21.9% on the 2016 year-end. In average price terms, the average price of nickel LME has stood at $10,459 per ton, up 8.4% on the average price in 2016.

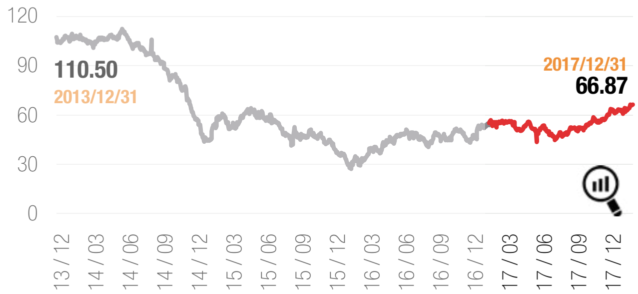
The other two alloys with significant weight in the Group's supplies for the manufacture of stainless steel are **molybdenum** and **chromium**. They have both also experienced an increase in prices in the second half of the year. The price of molybdenum closed the year up 40.6% on the 2016 year-end and chromium 26.4% higher.

Regarding the **oil** price, after a poor performance during the first semester of the financial year, it has undergone a major revaluation since June. The Brent barrel closed December at $66.87, up 17.7% on the close of 2016.

Evolution of the nickel price
DEC 13 - DEC 17 ($/TON)



Evolution of the brent price
DEC 13 - DEC 17 ($/barrel)



2 Key financial figures

2017 was the third consecutive year of the worst crisis ever hitting in the Oil&Gas sector. Therefore, the results were obtained amid a highly unfavorable environment, defined by a constant drop in volumes and pressure on prices. Despite the overall weakness of the market, 2017 was an exceptional year for TUBACEX in terms of order intake, with the awarding of some very significant projects in the Premium segment, which enable us to face 2018 with high visibility and a record backlog of orders, as well as forecasting a remarkable improvement in results.

Financial figures

€M	2017	2016	change %	Q4 2017	Q4 2016	change %
Sales	490.4	494.0	-0.7%	119.8	127.8	-6.3%
EBITDA	25.9	34.9	-25.8%	1.7	4.5	-61.2%
EBITDA margin	*5.3%*	*7.1%*		*1.5%*	*3.5%*	
EBIT	(28.3)	2.5	n.m.	(28.5)	(4.4)	n.m.
EBIT margin	*neg.*	*0.5%*		*neg.*	*neg.*	
Net Profit	(19.7)*	0.5	n.m.	(20.8)*	(2.8)	n.m.
Net margin	neg.	0.1%		neg.	neg.	

* In the last quarter of 2017, the Group has decided to include as Net Profit the extraordinary negative adjustments for the amount of €23.4 million without cash impact.

n.m.: Not meaningful.
neg.: Negative.

	2017/12/31	2016/12/31
Working Capital	193.0	183.2
Working Capital / Sales	39.4%	37.1%
Equity	281.7	313.6
Equity / Net Financial Debt	111.1%	151.6%
Net Financial Debt	253.5	206.9
NFD/ EBITDA	*9.8x*	*5.9x*

The sales figure stands at €490.4 million, 0.7% below the sales for the same period in 2016. The EBITDA amounts to €25.9 million, with a margin of 5.3%.

In a market environment with high order backlog visibility for 2018 and 2019, along with a maximum acceleration momentum for the Group industrial plans oriented to plant specialization in Premium products in Austria and increased production in India, the Group Management has decided to make extraordinary adjustments at the end of 2017. Most of these adjustments are related to the regularization of equipment, tooling and stocks linked to conventional product manufacturing in Austria, which will now go to India. The EBITDA at the year-end would have been in line with the EBITDA registered in 2016, if these adjustments had not been made.

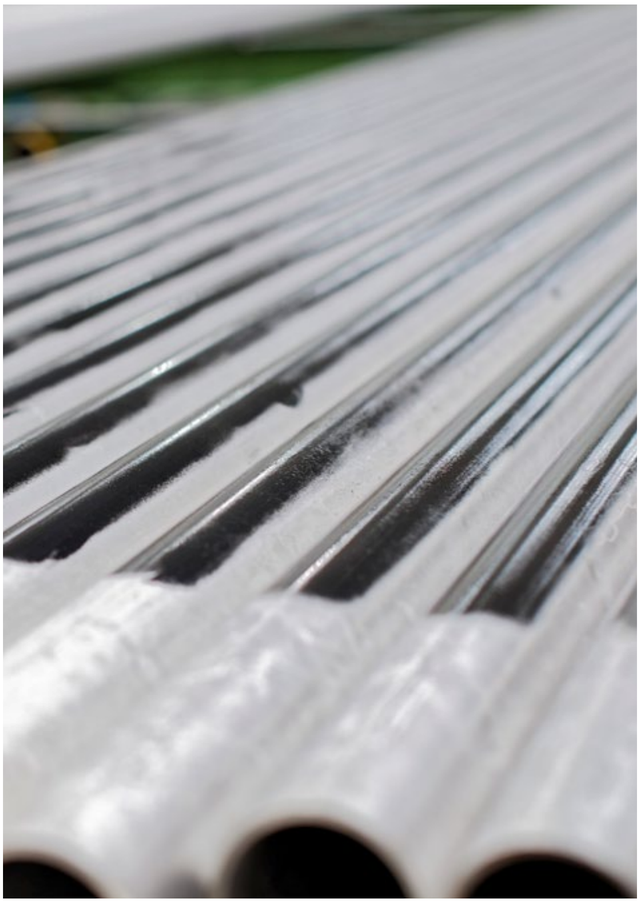
The net result achieved by the parent company at the 2017 closure amounts to -€19.7 million. To analyze this result, it is worth considering that the Company has registered non-recurring extraordinary negative adjustments to the tune of €23.4 million in its books. This figure mainly includes the non-recognition of the Austrian subsidiary's goodwill, to adjust accounts to the current industrial strategy. These adjustments only affect the Group net profit but have no impact on cash flow.

As for the Balance Sheet, the working capital has closed the year at €193.0 million, which represents 39.4% of the sales figure and an increase of €9.8 million with respect to the 2016 close. On the one hand, the increase in net working capital is due to the opening of new distribution centers by Tubacex Service Solutions and, on the other, to the product in progress related to the manufacturing of multi-year projects for the supply of comprehensive tubular solutions, mainly in OCTG and Umbilical Tubes.

The net financial debt on December 31st amounted to €253.5 million, €46.6 million more than the 2016 year-end. The increase in net financial debt is related to investments in the purchase of machinery for the Group's organic growth, particularly in India, and the increase in working capital devoted to the aforementioned unique Premium solutions projects. The net financial debt over EBITDA ratio amounted to 9.8x EBITDA. It is necessary to remember that the high debt ratio corresponds to a temporary situation characterized by a high debt figure following the acquisition and integration of two strategic companies in 2015 along with the aforementioned increase in working capital; all of which is in a context of operating results that are significantly affected by the weak market situation. As the execution of the significant backlog of Premium projects progresses, this ratio will gradually fall until the strategic target of 3x is reached throughout 2018.

TUBACEX financial strategy in recent years has been aimed at optimizing costs and the diversification of financing sources. The success of this financial strategy can be seen in two specific facts: (i) the financial expenditure containment despite the debt increase; and (ii) a strong cash position that enables debt maturities to be met for the next 3-4 years even in the worst case scenarios.

Regarding the future outlook, short-term changes are not envisaged with respect to the market situation, as the CAPEX increase impact announced by oil companies will require more time to be translated into a growth in demand for the Group products. Nevertheless, thanks to TUBACEX's record-breaking backlog, a substantial improvement of results in 2018 can be forecast, to become effective from the first quarter of the year.



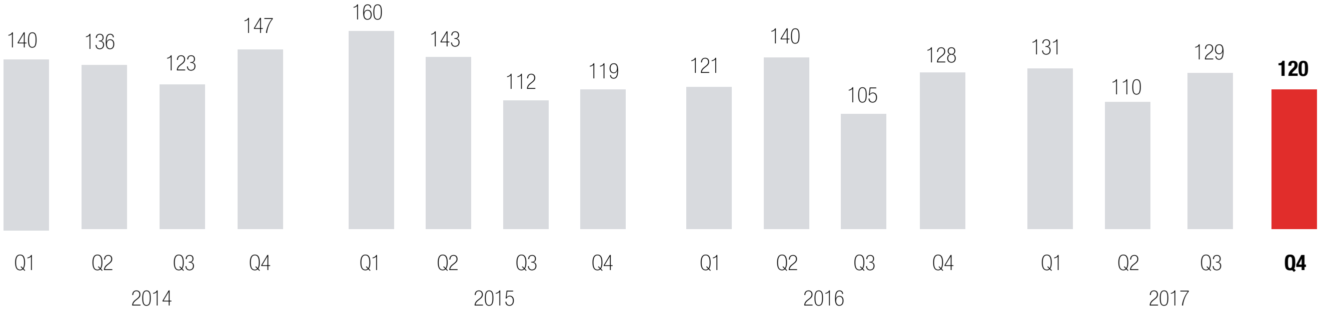
Quarterly evolution

The fourth quarter was affected by non-recurring extraordinary adjustments with a negative impact on results.

Our sales figure amounted to €119.8 million, 6.3% below the sales in that quarter in 2016, while EBITDA was recorded as €1.7 million

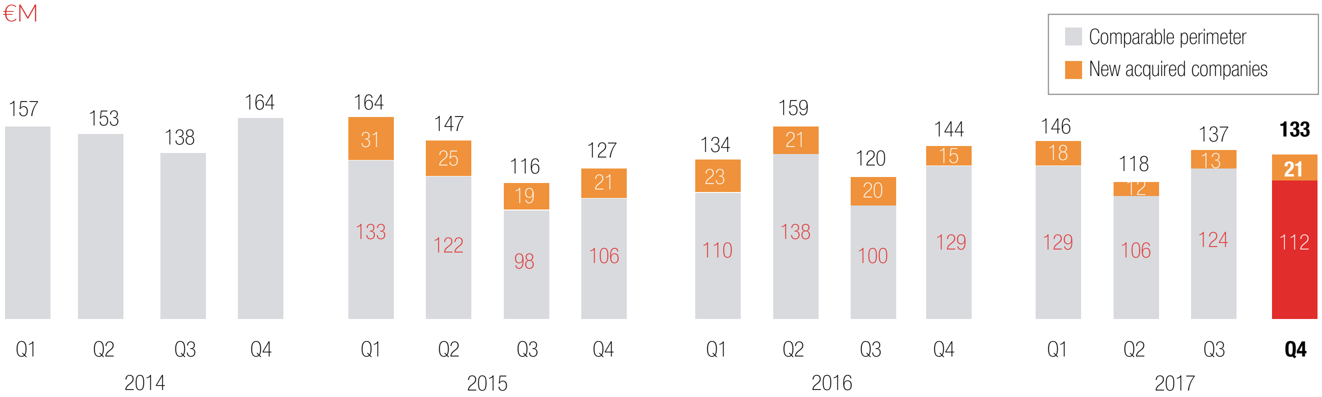
Quarterly evolution of the sales figure

€M



Quarterly evolution of the adjusted sales figure*

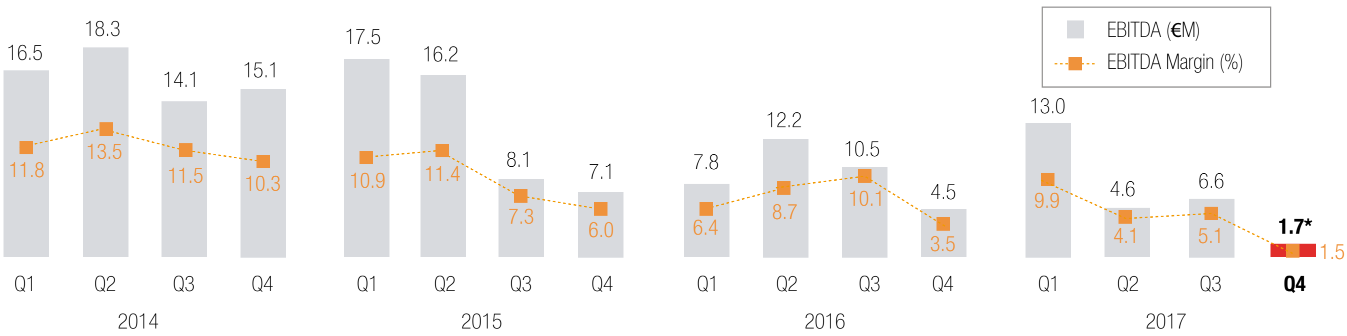
€M



** Sales figure calculated assuming the stable nickel price of 2012.*

Quarterly evolution of the Ebitda figure

€M



** EBITDA generated in the fourth quarter of 2017 includes extraordinary adjustments corresponding to the regularization of equipment, tooling and stocks linked to the manufacturing of conventional products in Austria which will be moved to India.*

3 Business evolution

The market targeted by TUBACEX products and services has remained severely depressed for the third year in a row. Final demand was extremely low in practically all products and regions. However, although TUBACEX faced a very weakened market, the company's good positioning and increased market share in the higher value-added product segment have enabled the Group to win significant projects, and partly offset the poor market situation besides providing unprecedented visibility in forthcoming years.

The sales breakdown related to the two main Company channels has remained stable in relation to 2016. However, considering the current backlog of orders for 2018, higher growth can be anticipated in the project channel.

Sales through the distribution channel continue to be weak, in terms of both volume and price, severely affected by nickel prices which have remained low and the reduced level of activity in the Oil&Gas sector, which is the main recipient of the tubes sold through this channel. Nevertheless, the development of Tubacex Service Solutions and the opening of new stocks have facilitated the sales and price volumes to be maintained, compared to those of 2016, despite this market situation.

The **direct sales channel to engineering firms and end users** is still the Group's leading sales channel, in line with the Company strategy, and represents 60% of the Group's total sales and 70% of order intake.

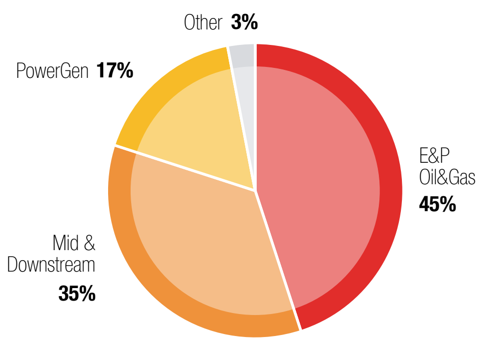
The **Oil&Gas E&P** sector accounts for 45% of the Group sales through this channel. Within this sector, it is worth highlighting the good behavior of some products and regions. This is the case of OCTG tubes, where a major order for gas extraction in the Middle East deserves a special mention. This is the largest order ever placed for this type of tubes. Although the manufacturing of these tubes started in the second half of 2017, invoicing will only begin at the end of February. We would also like to mention the record-breaking sales volume regarding umbilicals, thanks to an improved market environment in the North Sea, Gulf of Mexico and offshore Africa.

The **PowerGen** sector has maintained a downward trend throughout the year after the record-breaking figures achieved in 2015 and 2016, thanks to the outstanding demand from the Chinese market. After the necessary adjustment which took place in 2017, demand in this sector is expected to return to a certain normality. In this sense, TUBACEX is developing a new generation of "Advanced Ultra Super Critical Boilers", which are capable of withstanding up to 700 °C at coal plants. It is expected that this new type of boilers will be well received in India, from where the first test orders have been placed for material characterization. As for the nuclear segment, which has been practically at a standstill for three years, both TTI and IBF have started to receive orders, albeit small, such as those from the Hinkley Point I and II power plants (Areva Model) in the United Kingdom.

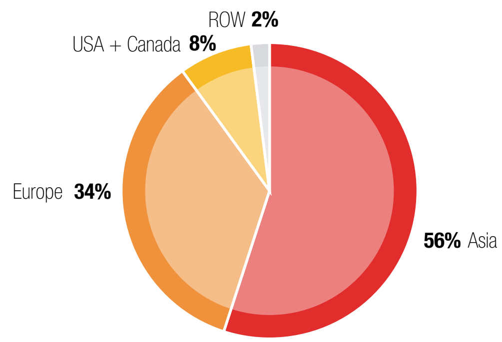
Tubes aimed at the **Mid and Downstream** sector have had a stable performance with a growing trend towards the last part of the year, even though the market cannot be considered finally recovered. The good performance of tubes for furnaces and large-diameter tubes for refineries, a sector where TUBACEX continues to make progress towards becoming the comprehensive supplier of tubular solutions, with a greater range of products and new added services on offer, was also outstanding. In this sector, direct sales to refineries are also worth a special mention, highlighting a very relevant framework agreement for the supply of large-diameter tubes manufactured by IBF, to the Hengli Petrochemical Group in Dalian refinery (China).

Breakdown of direct sales to engineering firms and end-users
2017

Breakdown by sector

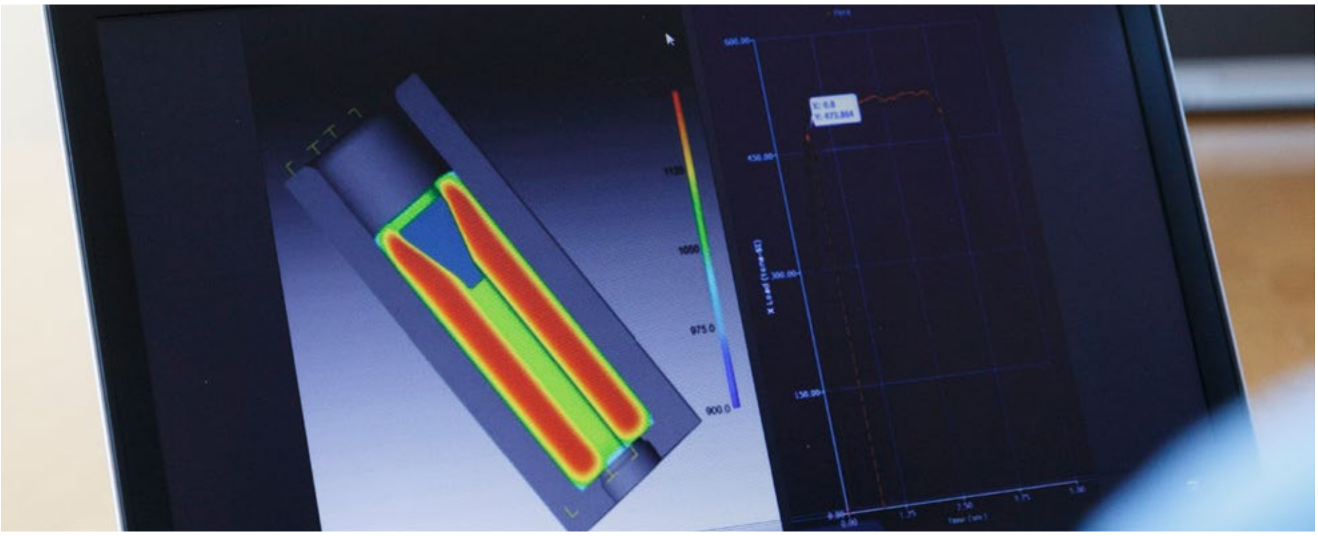


Breakdown by final destination



Geographically speaking, the European market has significantly gained weight thanks to the improved performance of some sectors such as precision tubes and umbilical tubes for the North Sea.

Despite this increase, Asia continues to be our main market concentrating 56% of sales and high rates of demand growth in forthcoming years, both in the gas extraction as well as the electricity generation segments. Therefore, the Group is committed to strengthening its presence in this region through the incorporation of TUBACEX Awaji Thailand and opening new warehouses in the United Arab Emirates, Iran and India.



4 Significants events

Umbilicals order for the North Sea
Nov 2017

TUBACEX signed an agreement with Aker Solutions for the supply of umbilical tubes in three Statoil projects located on the Norwegian continental shelf (Johan Sverdrup, Utgard and Bauge). Tubes will be manufactured in state-of-the-art plants in Austria and Spain. The agreement is a clear example of the progress made by Tubacex Group in the Company`s positioning strategy in the High Value-Added Products sector.

New material prototypes
4Q 2017

TUBACEX has received an order for the supply of tubes for the power generation sector in a new material: 617. This order relates to prototypes of a new generation of boilers known as the Advanced Ultra Super Critical Boilers, which embody the success of the Group's commitment to R&D and new product developments. This new type of boiler is expected to be very well received in Asia.

Stainless steel world conference & exhibition in Maastricht
Nov 2017

TUBACEX was present at the Stainless Steel World Conference & Expo, a three-day international platform for experts in materials. During the conferences, TUBACEX presented an agreement entered into with VDM Metals for the development of tubular products with the new alloy 699VDM®. This is a nickel, chromium and steel based alloy with an optimum resistance to catastrophic carburization and good ductility.

5 TUBACEX on the stock market

Share evolution

JAN 17 - DEC 17

During 2017 TUBACEX shares maintained a very positive performance with a 22.7% revaluation thanks to the good projections for the sector, and in line with the price improvement experimented by raw materials and in particular by the price of oil and nickel with increases of 17.7% and 21.9% respectively.

At year-end closure on December 31st 2017, TUBACEX share price was at €3.35 representing a market capitalization of €445.5 million in relation to that of €363.0 million at the close of 2016.

The number of shares traded in 2017 increased to 103.0 million with effective trading of €328.7 million. The volume of shares traded has risen by 38.6% in relation to 2016, representing a 77% rotation of all the company shares.

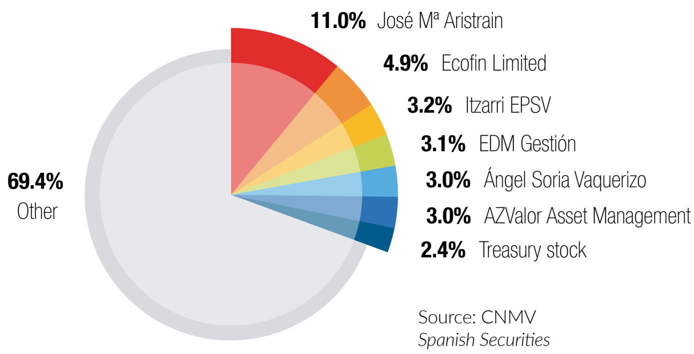
Shareholding

2017.12.31

During the fourth quarter of the year, there was only one change in the structure of the company's significant shareholders. Mr. Angel Soria Vaquerizo acquired a 3.03% stake in TUBACEX share capital in October; therefore, this change was already included in the previous quarter's result report.

This modification is added to the two changes which occurred in the first half of the year: the entrance of azValor as a significant shareholder in March with a 3.003% stake and the sale of the 7% stake in the Company held by Cartera Industrial REA in June.

Therefore, as recorded in the Spanish Securities Exchange Commission, the TUBACEX shareholder structure at 31st December 2017 is as follows:



Source: CNMV
Spanish Securities Exchange Commission

5 Financial figures

Consolidated balance sheet
€M

	2017/12/31	2016/12/31	Change %
Intangible assets	51.9	71.6	-27.5%
Tangible assets	272.4	267.6	1.8%
Financial assets	77.5	63.0	23.0%
Non-current assets	**401.8**	**402.3**	**-0.1%**
Inventories	248.6	221.2	12.4%
Receivables	75.5	62.8	20.2%
Other account receivables	18.9	14.7	28.7%
Other current assets	6.2	2.9	n.m.
Derivative financial instruments	0.3	0.5	-49.4%
Cash and equivalents	154.9	147.4	5.1%
Current assets	**504.3**	**449.5**	**12.2%**
TOTAL ASSETS	906.2	851.8	6.4%
Equity, Group Share	257.2	286.6	-10.3%
Minority interests	24.6	26.9	-8.7%
Equity	**281.8**	**313.6**	**-10.1%**
Interest-bearing debt	79.7	164.7	-51.6%
Derivative financial instruments	1.9	0.9	n.m.
Provisions and other	38.0	42.0	-9.6%
Non-current liabilities	**119.7**	**207.6**	**-42.4%**
Interest-bearing debt	328.7	189.6	73.4%
Derivative financial instruments	5.1	2.6	94.1%
Trade and other payables	131.0	100.8	30.0%
Other current liabilities	39.8	37.6	6.0%
Current liabilities	**504.7**	**330.6**	**52.6%**
TOTAL EQUITY AND LIABILITIES	906.2	851.8	6.4%

n.m.: Not meaningful.

Consolidated income statement
€M

	2017	2016	Change %	Q4 2017	Q4 2016	Change %
Sales	490.4	494.0	-0.7%	119.8	127.8	-6.3%
Change in inventories	20.4	9.3	n.m.	3.8	4.2	-8.4%
Other income	10.7	17.9	-40.2%	4.4	6.5	-33.0%
Cost of materials	(274.7)	(268.0)	2.5%	(73.8)	(81.2)	-9.2%
Personnel expenses	(121.4)	(121.5)	-0.1%	(32.1)	(32.8)	-2.0%
Other operating costs	(99.4)	(96.7)	2.8%	(20.4)	(20.0)	1.8%
EBITDA	**25.9**	34.9	**-25.8%**	**1.7**	4.5	**-61.2%**
EBITDA Margin	*5.3%*	*7.1%*		*1.5%*	*3.5%*	
Amortization and impairment of fixed assets	(54.2)	(32.4)	67.1%	(30.3)	(8.9)	n.m.
EBIT	**(28.3)**	2.5	**n.m.**	**(28.5)**	(4.4)	**n.m.**
EBIT Margin	*neg.*	*0.5%*		*neg.*	*neg.*	
Financial Result	(9.0)	(7.7)	17.7%	(4.0)	(1.5)	n.m.
Exchange differences	(1.8)	(0.4)	n.m.	(1.8)	(0.1)	n.m.
Net Income. Group Share	**(19.7)***	0.5	**n.m.**	**(20.8)***	(2.8)	**n.m.**
Net Margin	*neg.*	*0.1%*		*neg.*	*neg.*	

* In the last quarter of 2017, the Group has decided to include as Net Profit the extraordinary negative adjustments for the amount of €23.4 million without cash impact.

n.m.: Not meaningful.
neg.: Negative.

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