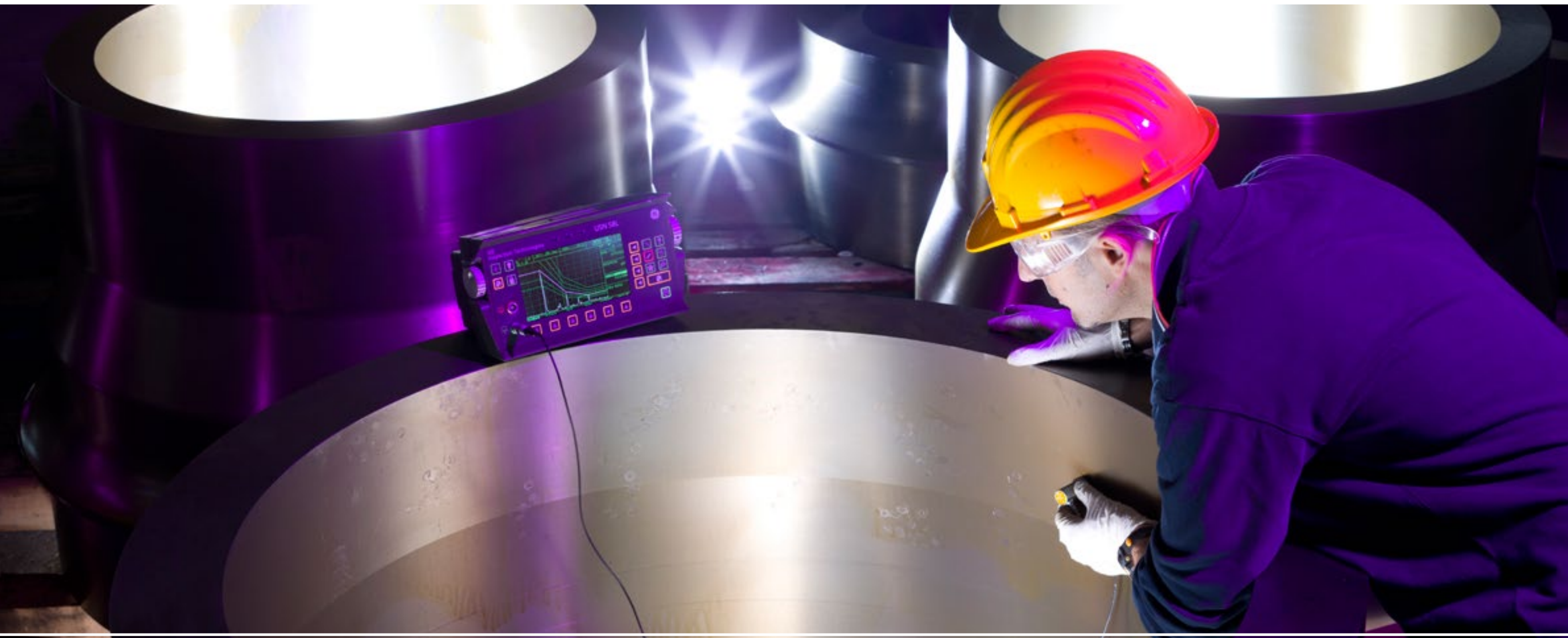
PRESENTATION OF THE RESULTS

1st quarter of 2016



Mr. Jesús Esmorís
TUBACEX CEO

"In the first quarter of 2016, we have faced the same negative environment as in the 2015 financial year. The important investment cuts by the oil companies, along with the continuous fall of raw materials, continues to adversely affect our business, resulting in a fall in volume, prices and a worsening of the manufactured mix.

In spite of the fact that the recovery of the sector appears to be delayed until the second half of 2017, there are several positive factors that are worth highlighting. The operational improvements implemented in recent years and the important commercial reorganization aimed at positioning our company in the Premium product sector is enabling us to access and win major projects which we did not have access to before. This is the case of the order for OCTG tubes for the extraction of gas in the Middle East, which we were recently awarded. It is the largest order we have ever received in this high value-added product and gives us significant visibility in this product until the first quarter of next year. Similarly, we are currently quoting important orders in the same type of product and in other Premium products, with particular success in the supercritical boiler segment, which reflects that the path embarked upon in the positioning of the company in high value-added products is reaping its rewards and the perspectives for this market are optimistic in the medium-term.

Meanwhile in the short term, the financial soundness of TUBACEX is enabling us to face this crisis with the tranquility of being able to address our financial needs even in the worst possible scenarios.

Efforts throughout this year will be aimed at further operational improvements, increasing efficiency and reducing costs. The full integration of the two companies acquired last year is enabling us to offer the widest range of products on the market, whilst diversifying our products, reducing dependence on the Oil&Gas sector.

We are experiencing an unprecedented crisis in the sector but the resilience that we are showing is proof that our product, operational and management strategies are the right ones. For this reason, we are strengthening them in order to be better prepared to take advantage of the changing market trends when they occur and they will occur.

Looking towards the forthcoming quarters, we foresee a gradual improvement in the results based on the Premium products and increased efficiency, but we cannot detach ourselves from the general market situation and the final results will depend on the evolution of the rest of the products."

MARKET ENVIRONMENT

The worldwide recovery that commenced in 2015 has continued in the first quarter of 2016 but at a slower rate, which led the International Monetary Fund to lower the world growth projections for 2016 and 2017 once more in March. In spite of this lowering of perspectives, the financial instability of the first weeks of 2016 appears to have passed and the investor climate has been slightly more favorable in March and April.

The price of **nickel** maintains its downward trend and closed March at 8,360 USD/ton, down 3.9% with respect to the close of 2015, which is added to the fall of 42.1% last year. The price of nickel remains at unsustainably low levels and it is calculated that at these levels, 70% of the production industry is making a loss so a normalization of the price throughout the year cannot be ruled out.

The other two alloys with a significant weight in the Group's supplies for the manufacture of stainless steel, **molybdenum** and **chromium**, have also experienced a fall in prices throughout the quarter.

On the other hand, the **oil** price has increased at the beginning of the year.

EVOLUTION OF THE NICKEL PRICE

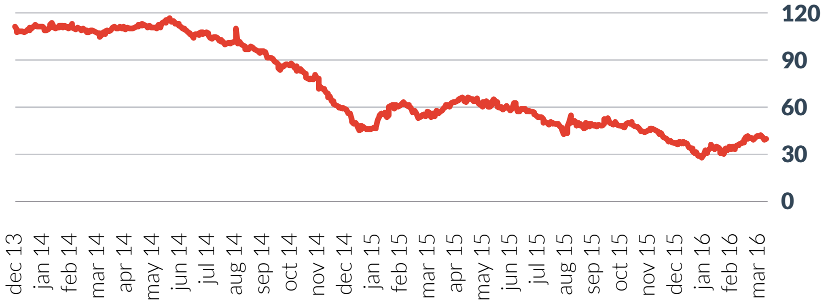
DEC 13 - MAR 16 (US$/ton)

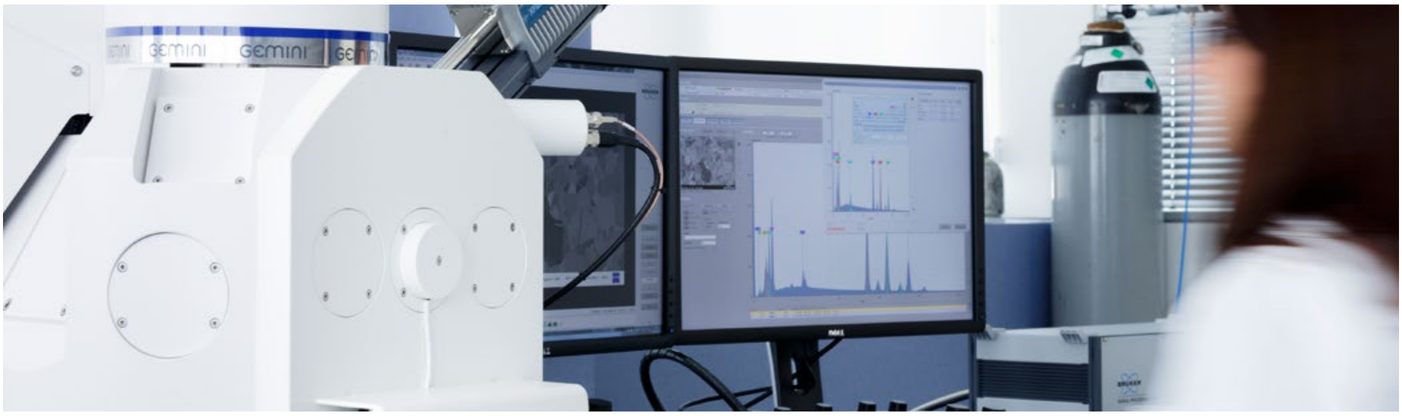
In terms of average prices, it stands at 8,542 USD/ton, 40.7% lower than the average price in the first quarter of 2015 and 28.0% less than the average price for the whole of the 2015 financial year.

EVOLUTION OF THE BRENT PRICE

DEC 13 - MAR 16 (US$/barril)

The Brent barrel closed March at 39.60 USD, up 6.2% on the close of 2015. This positive trend has been maintained in recent weeks, with a Brent barrel price that appears to have stabilized at around 42 USD in April, which is an appreciation of almost 50% from its lowest price in mid-January.





KEY FINANCIAL FIGURES

The first quarter of 2016 was set amid an extremely unfavorable market environment. The weakness shown over the past year due to the price of raw materials and oil has adversely affected the TUBACEX results gradually quarter by quarter, but the results for the last quarter of 2015 and the first quarter of 2016 reflect the true fall in the activity and the market.

The sales figure for the quarter stood at €121.4 million, down 24% on the sales for the first quarter of 2015 as a result of the fall in volume and the negative impact of the raw materials. However, the sales figure is 2.0% above sales for the previous quarter. Given the important impact that raw materials has on the sales figure, it must be highlighted that if nickel had remained stable, sales in the comparable perimeter of TUBACEX would have grown by 4.1% in the quarter, reaching €110.4 million compared with the comparable figure of €106.0 million in the previous quarter.

The EBITDA stands at €7.8 million with a margin of 6.4%, once more affected by the negative evolution of volume, prices and the product mix sold.

FINANCIAL FIGURES
(€ M)

	1T 2016	1T 2015	% variación
Saless	**121.4**	**159.8**	**-24.0%**
EBITDA	**7.8**	**17.5**	**-55.6%**
EBITDA margin	6.4%	10.9%	
EBIT	**(0.6)**	**10.4**	**n.m.**
EBIT margin	neg.	6.5%	
Net Profit	**(0.5)**	**6.6**	**n.m.**
Margin	neg.	4.2%	

	31/03/2016	31/12/2015
Working Capital	**221.2**	**210.1**
Working Capital / Sales	**44.7%**	**39.4%**
Equity	**312.8**	**317.5**
Equity / Net Financial Debt	**131.2%**	**144.0%**
Net Financial Debt	238.5	220.5
NFD / EBITDA	6.1x	4.5x

n.m. : Not meaningful
neg.: Negative

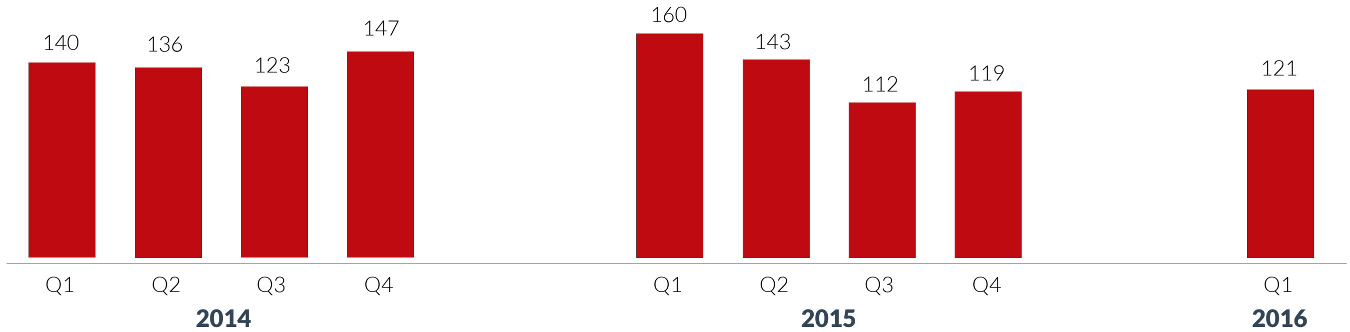
KEY FINANCIAL FIGURES

As for the Balance Sheet, the working capital amounts to €221.2 million, slightly above the close of 2015. Financial debt stands at €238.5 million. The Net Financial Debt over EBITDA temporarily stands at 6.1 times as the EBITDA over the past 12 months has fallen significantly on including a very weak first quarter of this year in its calculation and excluding the first quarter of 2015, which was the strongest last year. This ratio will be normalized and reduced throughout the year as the TUBACEX forecast is to generate positive Free Cash Flow in the financial year.

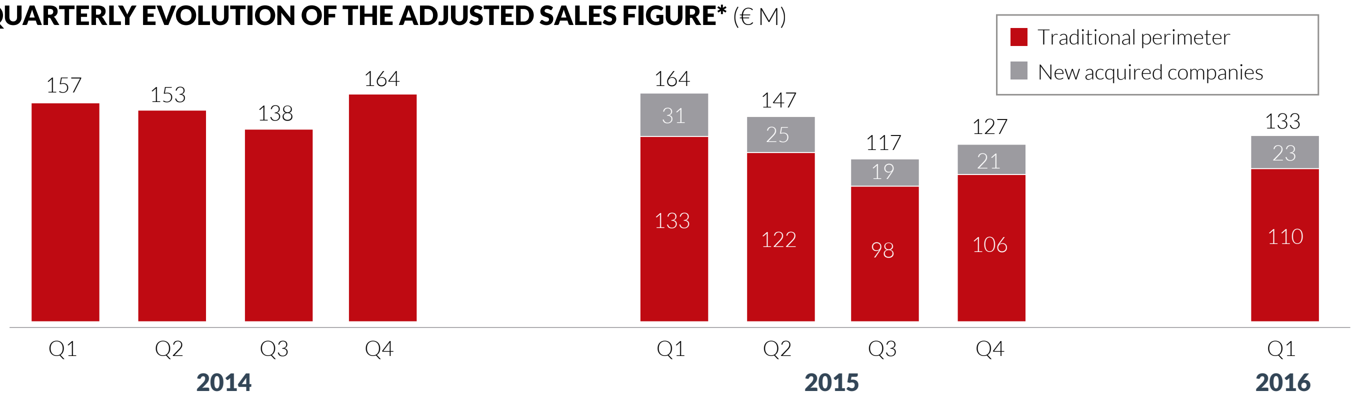
The financial strength of the Group is also worth highlighting. The TUBACEX financial strategy in recent years has been aimed at optimizing costs and the diversification of the sources of financing. The success of this financial strategy can be seen in two specific facts: (i) financial expenditure below the financial expenditure of the first quarter of 2015, in spite of having greater debt as a result of the acquisition of two companies and (ii) a strong cash position that allow debt maturities to be met for the next 3-4 years even in the worst case scenarios.

As for future perspectives, we foresee a significant improvement in the invoiced mix over the forthcoming quarters as a result of the large order for OCTG tubes that was recently placed, although the result for the year will depend on the general evolution of the market.

QUARTERLY EVOLUTION OF THE SALES FIGURE (€ M)

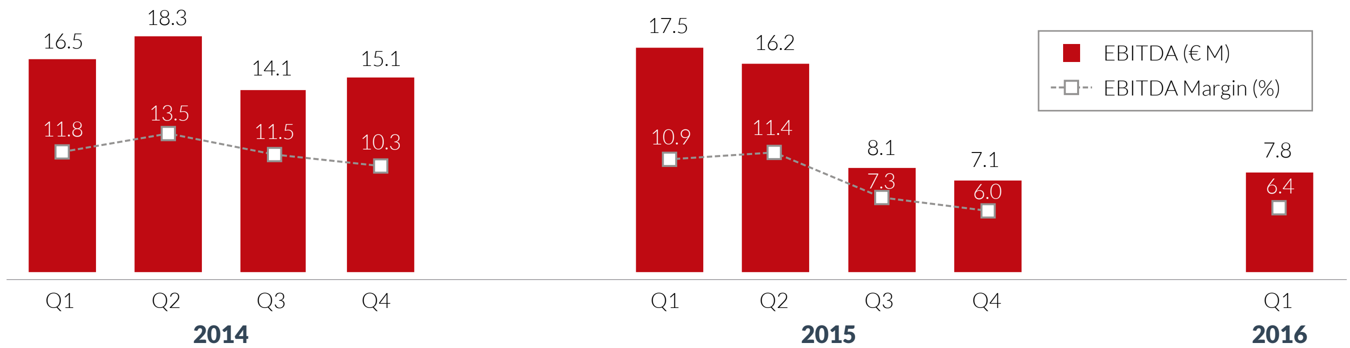


QUARTERLY EVOLUTION OF THE ADJUSTED SALES FIGURE* (€ M)



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

QUARTERLY EVOLUTION OF THE EBITDA



BUSINESS EVOLUTION

The business environment of the TUBACEX Group in the first quarter of the year has maintained the tendency shown in the last quarter of 2015, characterized by a gradual worsening of sales in terms of volume and prices.

Sales through the distribution channel have been very weak, as they have been severely affected by the low price of nickel and the weakness in demand related to low worldwide growth.

As far as **direct sales to engineering firms and the end-user** are concerned, it is worth highlighting two significant events. On one hand, the proportion represented by this sales channel in the Group's total sales has increased, standing at over 70% of the order intake. On the other hand, the fall in the E&P sector has been partially offset by the growth in the PowerGen sector, a shift that has been seen since the 2015 financial year. Last year saw a gradual reduction in the E&P segment, falling from 37% in the first quarter to 26% at the close of the year. This reduction was accompanied by a parallel increase in the PowerGen segment, rising from 19% in the first quarter to 26% at the close of the year. During the first quarter of 2016, both movements have been accelerated. The **E&P segment** has reduced its weight to 15% as a result of the cutbacks in investment in the oil sector and the delay in the implementation of some projects as a result of the low oil price. However, it is necessary to highlight the good prospects for the gas sector in the Middle East and more specifically, the large OCTG order won in March, will lead to an increase in the weight of this sector as of the next quarter.

The **PowerGen** sector maintains the good performance shown in the final part of last year with a very high sales level and order intake, which already represents 40% of the sales for this channel. The integration of TUBACEX IBF, a specialist in large diameter parts in the Premium segment, has allowed us to offer integrated tubular solutions to the customers of this sector. This fact, together with the development of new grades of steel specific for this sector in recent years and the shot peening line is contributing significantly to the good performance of the segment.

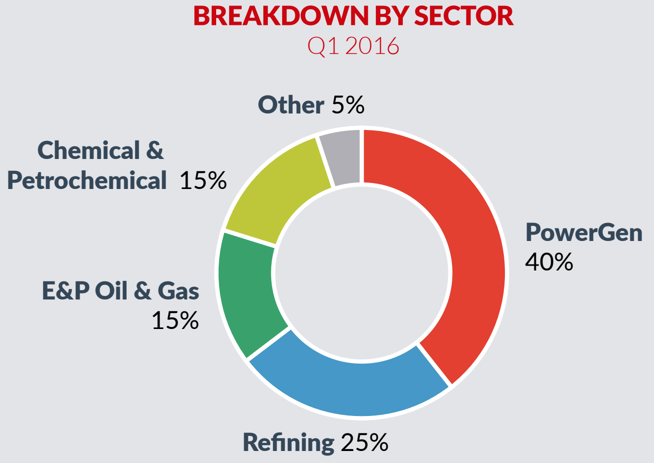
The low oil prices together with the high utilization rates of refining facilities have pushed the margins for the segment downstream and therefore the demand for tubes for this purpose. This improvement is particularly noticeable in the USA as a result of the increase in refining needs, in China due to investment in improving the efficiency of existing plants and in Australia given this region's bid for Liquid Natural Gas (LNG). However, the threat of over capacity in the Refining sector is leading to a delay in the implementation of many projects.

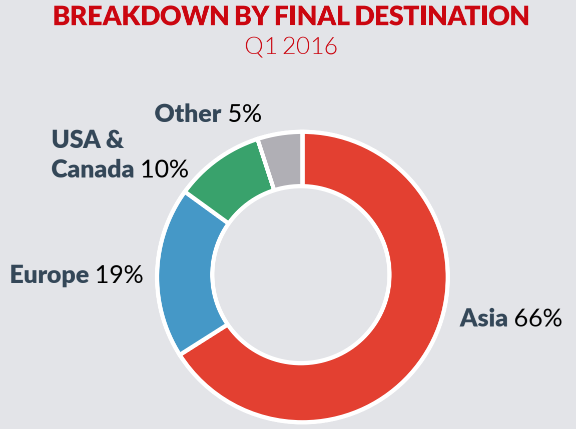
As far as the rest of the sectors are concerned, they maintain the same weak tendency of the market in general, although with some exceptions.

The **Refining and Petrochemical Industry** sector is also showing greater dynamism although the scarce activity of the E&P segment has led to a substantial increase in competition.

This is the case of the **Fertilizer** sector, a new market for the Group, in which it is gradually increasing its presence, particularly in Europe, and is focusing its efforts on positioning itself in the Asian market.

BREAKDOWN OF DIRECT SALES TO ENGINEERING FIRMS AND END-USER





Looking at the geographical breakdown by final destination of the sales, it can be seen that the Asian market continues to gain weight. Asia is emerging as the highest growth potential market worldwide and one of the main sales strategy cores for the TUBACEX Group. For this reason, TUBACEX has reinforced its commercial structure in Asia in recent months, with the incorporation of TUBACEX Prakash, a company representing a key tool for growth in this area. In addition, a new technical-sales structure has been implemented in this region, with the opening of sales offices in Dubai, Mumbai and Singapore.

SIGNIFICANT EVENTS

THE LARGEST OCTG ORDER
Feb-Mar 2016

TUBACEX has signed a contract for €75 million to supply OCTG CRA tubes in the Middle East between April 2016 and April 2017. This is the largest order ever received for this type of product for the extraction of oil and gas and is a decisive step forward in the goal to improve the Group's positioning in high value-added products. The award of this order along with the recent lifting of sanctions against Iran improves the future prospects for TUBACEX in the medium term thanks to its growing presence in the Middle East and the development of gas infrastructures planned for this region.

NITROGEN + SYNGAS 2016 (BERLIN)
Feb-Mar 2016

The world's leading Nitrogen + Syngas event attracted record participation in Berlin, with over 660 professionals from 50 countries, sharing best practices and learning about the latest technical developments and trends to affect their operational businesses. The industry's most respected technical conference and exhibition, now in its 30th edition, brought together most of the key players in the Nitrogen Industry, involving all Fertilizer fields.

TUBACEX had a strong presence at the event, with a stand that captured the attention of many customers, such as Manufacturers, End-Users and Engineering Firms, leading to interesting material and market situation discussions. TUBACEX was also very active in the sponsorship of the event.

There is no doubt that TUBACEX is starting to be a recognized supplier in this new segment for the company, having supplied many tube bundles for many Urea and Nitric acid vessels since the re-entry in the Market in 2014.

SUBSEA TIEBACK FAIR IN SAN ANTONIO (TEXAS)
Mar 2016

The Subsea Tieback 2016 Forum & Exhibition was held at the Henry B. Gonzalez Convention Center in San Antonio, Texas from 22nd to 24th March. It was the 5th time that TUBACEX participated in this important Forum with its own stand. Consequently, TUBACEX representatives had the opportunity to hold business discussions with the industry's main decision makers, such as Oceaneering, Technip, Aker Solutions, Nexans and Deepdown for Umbilicals, as well as with end-users, such as Chevron, Shell, Hess or Exxon. The current market situation calls for more dialog among all the players of the industry, which is why TUBACEX must be present at these forums and will therefore participate in Subsea Tie-Back 2017.

TUBACEX ON THE STOCK MARKET

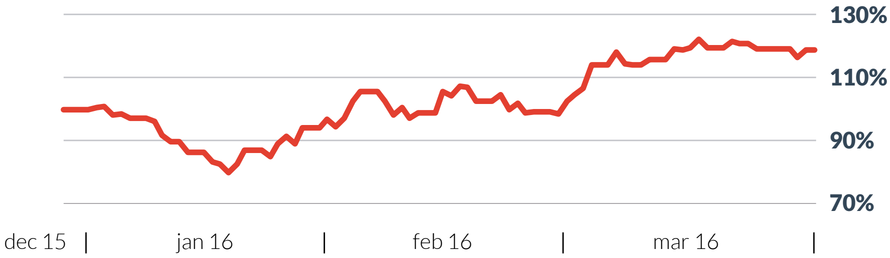
TUBACEX SHARE EVOLUTION

JAN 16 - MAR 16

During the first quarter of the year, the TUBACEX share has performed favorably on the stock market, closing the month of March at €2.07 euros per share, which represents a revaluation of 18.3% so far this year.

At the close of the quarter, the capitalization of TUBACEX amounts to €275.3 million, compared with €232.7 million at the close of 2015.

As for share liquidity, the volume traded has fallen with respect to the record figures reached in 2015. Between January and March 2016, a total of 27.0 million titles have been traded, or in other words, 20.3% of the capital and 50.4% less than the same quarter in 2015.

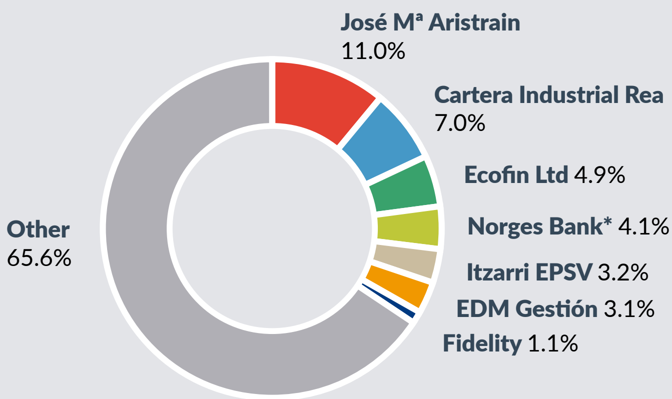


TUBACEX SHAREHOLDING

31.03.2016

In the first quarter of 2016, there has only been one change to the Company's shareholding. On 27th January, Cartera Industrial Rea, which was already a significant shareholder, announced that it had increased its stake from 5.0% to 7.0%.

Therefore, as recorded in the CNMV, the TUBACEX shareholder structure at 31st March is as follows:



** Stake divided into a direct stake of 2.475% and financial instruments amounting to 1.587%*

Source: CNMV (Spanish Securities Exchange Commission)

FINANCIAL FIGURES

CONSOLIDATED BALANCE SHEET
(€ M)

	31/03/2016	31/12/2015	% change
Intangible assets	69.9	68.8	1.6%
Tangible assets	260.0	263.7	-1.4%
Financial assets	61.0	61.9	-1.5%
Non-current assets	**390.9**	**394.4**	**-0.9%**
Inventories	223.6	226.7	-1.4%
Receivables	82.6	79.8	3.5%
Other account receivables	17.4	13.7	27.2%
Other current assets	1.4	1.4	5.3%
Derivative financial instruments	0.6	0.4	55.9%
Cash and equivalents	141.0	142.8	-1.2%
Current assets	**466.6**	**464.7**	**0.4%**
TOTAL ASSETS	**857.5**	**859.1**	**-0.2%**
Equity. Group Share	284.6	288.6	-1.4%
Minority interests	28.2	28.9	-2.4%
Equity	**312.8**	**317.5**	**-1.5%**
Interest-bearing debt	200.8	166.1	20.9%
Derivative financial instruments	1.1	0.8	35.1%
Provisions and other	45.2	48.7	-7.3%
Non-current liabilities	**247.0**	**215.6**	**14.6%**
Interest-bearing debt	178.7	197.1	-9.4%
Derivative financial instruments	0.7	0.9	-22.1%
Trade and other payables	84.9	96.4	-11.9%
Other current liabilities	33.3	31.6	5.6%
Current liabilities	**297.7**	**326.0**	**-8.7%**
TOTAL EQUITY AND LIABILITIES	**857.5**	**859.1**	**-0.2%**

CONSOLIDATED INCOME STATEMENT
(€ M)

	Q1 2016	Q1 2015	% change
Sales	121.4	159.8	-24.0%
Change in inventories	4.2	(15.9)	n.m.
Other income	1.3	1.1	23.6%
Cost of materials	(64.2)	(67.0)	-4.1%
Personnel expenses	(30.2)	(33.5)	-9.9%
Other operating costs	(24.6)	(27.0)	-8.6%
EBITDA	**7.8**	**17.5**	**-55.6%**
Depreciation	(8.4)	(7.0)	18.9%
EBIT	**(0.6)**	**10.4**	**n.m.**
Financial Result	(2.1)	(2.7)	-21.6%
Exchange differences	(0.2)	1.6	n.m.
Profit Before Taxes	**(0.5)**	**6.6**	**n.m.**

n.m. : Not meaningful

MAIN FINANCIAL RATIOS

	Q1 2016	2015	Q1 2015
NFD / EBITDA	6.1x	4.5x	2.5x*
NFD / Equity	76.2%	69.4%	56.9%
EBITDA Margin	6.4%	9.2%	10.9%
EBIT Margin	neg.	2.9%	6.50%
RoE	0.5%	2.9%	9.4%*
ROCE	0.8%	2.9%	9.1%*
Interest coverage	neg.	1.7x	3.9x
Net working capital / sales	44.7%	39.4%	38.2%*

** Pro forma figures including 12 months of IBF*

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