PRESENTATION OF THE RESULTS

3rd quarter of 2013

D. Jesús Esmorís
TUBACEX CEO

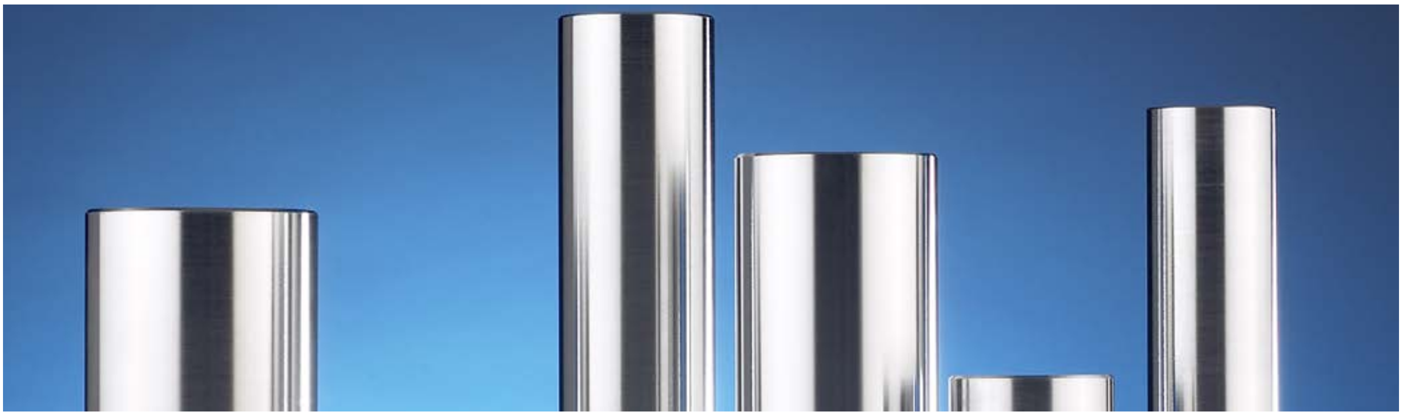
"The third quarter of 2013 is characterized as being an atypical quarter in which TUBACEX was obliged to address several aspects producing negative results.

On the one hand, the usual seasonality of the third quarter, in which a maintenance shutdown during the summer was carried out, has been exacerbated by the planned investment in the extrusion press in TTI Llodio. This investment, required for the manufacturing of new strategic products, obliged an operational shut-down of activities for several weeks, reducing operational days by at least a month and a half, resulting in low production levels.

On the other hand, our company has been affected by two macroeconomic effects. Firstly, downward tendency of the price of raw materials has sharpened in recent months, resulting negatively on demand and profitability of the traditional product as well as the value of group stocks. Secondly, in 2013 the Group's exports have suffered unfavorable effects as regards currencies, due to the devaluation of the US$, pound sterling and Brazilian real. These factors, tied to the accounting effect of the significant inventory reduction carried out by TUBACEX, resulted in profit as well as margin being reduced in the third quarter.

Nevertheless, favorable performance of cash flow is noteworthy. 2013 is outstanding in terms of cash generation and the proof is that despite having spent more than 25 million euros on investments as well as having paid dividends after three years, more than 60 million euros of cash flow as of September were generated. Therefore, and given the commitment of Tubacex in terms of remuneration of its shareholders, the Board of Directors has made the decision to distribute an interim dividend against 2013 results this coming November.

In terms of year end, the current unfavorable environment is expected to continue, but we reaffirm our full commitment to the objectives of the 2017 Strategic Plan. We must highlight that one of the aims of said plan is to reduce volatility. This volatility can be seen in our results with the effect of raw materials and, to a lesser extent, currencies. TUBACEX would like to reaffirm that we are implementing various plans to reduce volatility and we are confident that these measures tied to efforts being made toward the two TUBACEX pillars, high value-added products and operational excellence will enable us to move forward in achieving our Strategic Objectives."



MARKET ENVIRONMENT

Macroeconomic data from the last two quarters has not been particularly positive. Advanced economies have shown a different behavior and, despite overall improved performance, this improvement is still insufficient to remove all uncertainty.

After a disappointing start for the year in Europe, the Euro Zone was technically out of the recession in the second quarter. However, there are many risk factors that could destabilize the recovery process, this includes a significant slowdown in emerging economies and their corresponding impact on European exports.

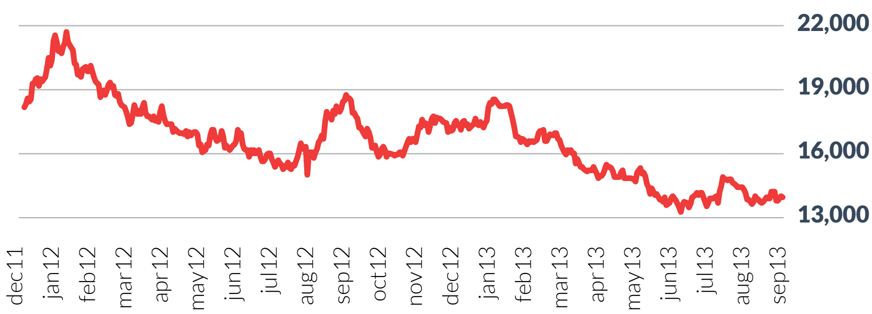
U.S. growth has progressed as planned, though still far from historical rates during other recoveries. Furthermore, the macroeconomic situation of emerging economies has weakened significantly. In Latin America, the situation in Brazil is worrisome. It is unable to overcome stagnation, while Asia maintains the trend of China's economic slowdown.

In terms of raw materials, the first three quarters of the year have been characterized by a continuous downward trend in prices.

EVOLUTION OF THE NICKEL PRICE

DEC 11 - SEP 13 ($/ton)

After a slight rebound in February, the price of **nickel** performed negatively throughout the year, which worsened in the third quarter, closing in September at $13,780, representing a decrease of 21% compared with the beginning of the year.



The other two alloys with significant weight in the Group's supplies for the manufacture of stainless steel are molybdenum and chromium. The price of **molybdenum** has maintained a tendency similar to that of nickel, with an overall drop of 18% with respect to the beginning of the year. The price of **chromium** fell in the third quarter, after a slight increase in the second quarter.

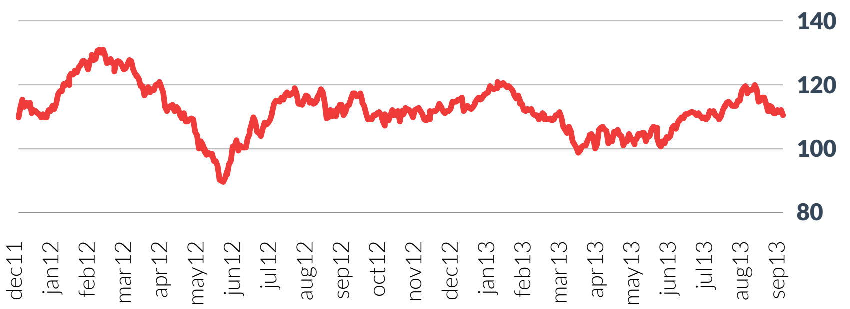
Another important variable to consider is that the price of **oil** increased during the third quarter by 7% and has remained consistently above $103/barrel.

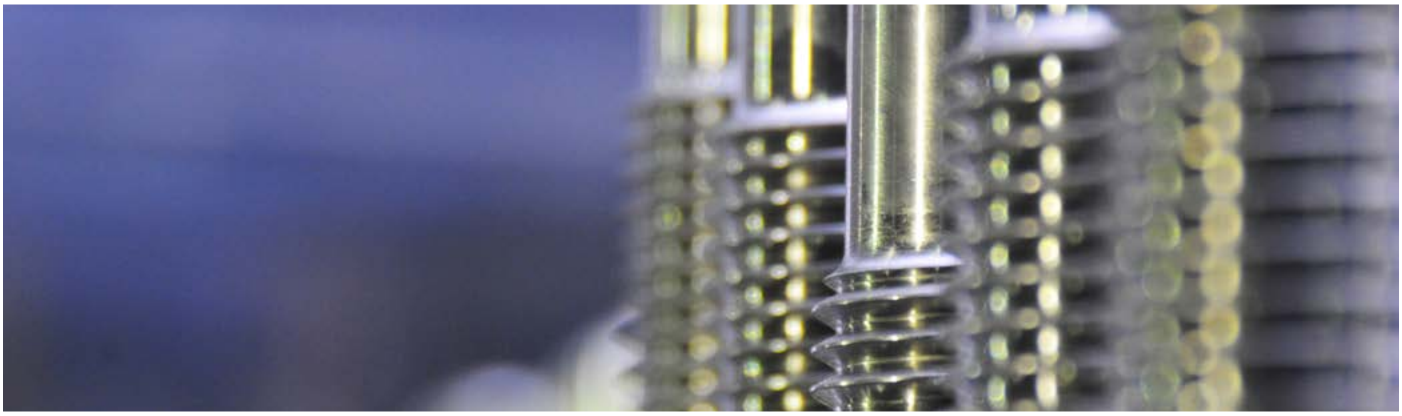
The average oil price during the year sits at $109.40/barrel.

EVOLUTION OF THE BRENT PRICE

DEC 11 - SEP 13 ($/barrel)

The maintenance of **oil** at structurally high levels reinforces plans for significant future expansion in the oil, gas and energy sectors (the main sectors of the Group product).





MAIN FINANCIAL FIGURES

The third quarter of the year has been negatively affected by two key factors: investment in the Llodio extrusion press and the unfavorable macroeconomic environment.

Regarding the first factor, the investment made to increase the power of extrusion press and the necessity to adapt production capacity to new high added value products has obliged a production shut-down of six weeks, which has had a significant impact on production volumes. Impact is more pronounced, if anything, in quarters characterized by the seasonality of the summer holidays. Additionally, the shut-down and start-up of the extrusion press has caused an increase in other operating expenses (+22% compared to the third quarter of 2012).

As for macroeconomic environment, as discussed above, nickel is further pronounced during the quarter; its downward price trend negatively impacts both demand and profitability of the traditional product as well as sales to third parties of the Group's steelmaker subsidiary. For its part, the evolution of certain currencies has also had a negative impact on the Group's accounts.

Therefore, although consolidated net sales for the quarter was 2% higher than that obtained in the third quarter of 2012, this increase has not been sufficient to offset the effect of seasonality of the quarter, lost production days due to reformation of the press as well as the very negative trend in raw materials.

As a result, both EBITDA and EBITDA margin for the third quarter are lower than those achieved in the third quarter of 2012.
Moreover, it is necessary to highlight the extraordinary reduction in working capital as well as the Group's financial debt during this quarter.

It is worth remembering that TUBACEX is a group that works mainly upon order, thus, its working capital is mainly sold product, in the process of manufacture or pending invoicing and/or collection. Thus, working capital amounted to a decrease of 67.1 million euros during the year, due to both reductions of current inventory as well as improvements in management of customer invoice collection.

Financial debt, on the other hand, has been reduced by 61.1 million euros. It is noteworthy that the recovery of activity planned for the fourth quarter of the year as well as outstanding payments made on some investments will cause both figures to increase slightly.

At the end of the quarter, the ratio of net financial debt to EBITDA stood at 4.4x, well below the 5.7x at the end of 2012, consolidating the improvement already achieved in the first half of the year.

In terms of the fourth quarter, the market environment will remain unfavorable, thus, fourth quarter results are expected to remain in line with this current report.

FINANCIAL FIGURES

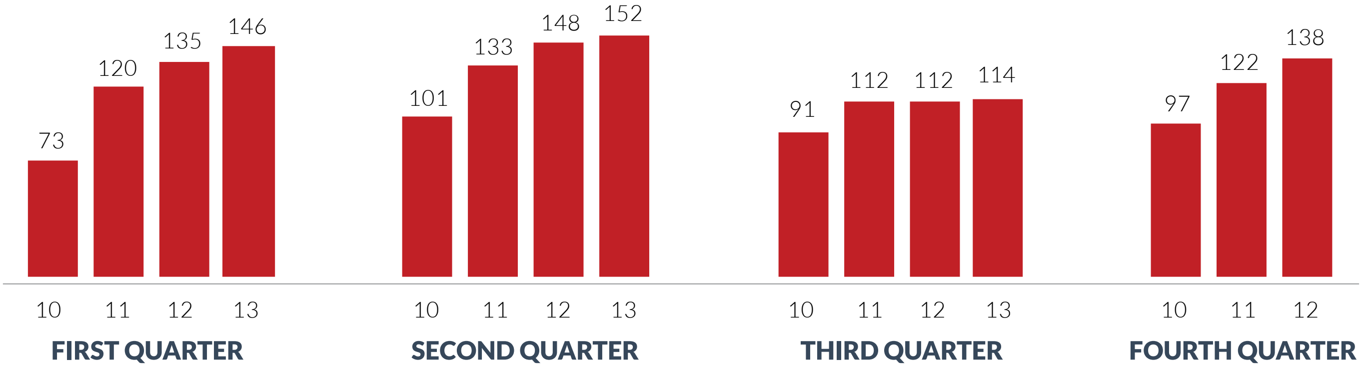
(€ M)

	9M 2013	9M 2012	Change %	Q3 2013	Q3 2012	Change %
Sales	**412.0**	**394.8**	**4%**	**114.1**	**111.7**	**2%**
EBITDA	**38.6**	**38.9**	**-1%**	**7.4**	**12.8**	**-42%**
EBITDA margin	9.4%	9.9%		6.5%	11.5%	
EBIT	**24.1**	**24.6**	**-2%**	**3.6**	**9.2**	**-61%**
EBIT margin	5.9%	6.2%		3.2%	8.3%	
Net Profit	**11.9**	**9.4**	**27%**	**1.2**	**3.2**	**-64%**
Net Margin	2.9%	2.4%		1.0%	2.9%	

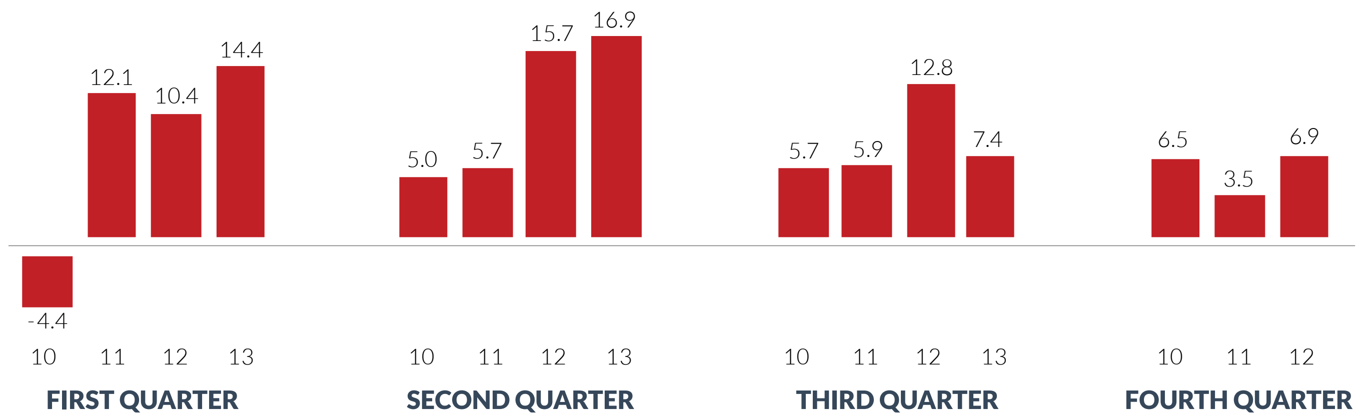
	9M 2013	31/12/2012
Working Capital	**227.0**	**294.1**
Equity Group Share	**259.9**	**251.5**
Net Financial Debt	**201.2**	**262.3**
NFD/ EBITDA	4.4x	5.7x

MAIN FINANCIAL FIGURES

QUARTERLY EVOLUTION OF THE SALES FIGURE
(€ M)



QUARTERLY EVOLUTION OF THE EBITDA
(€ M)



BUSINESS EVOLUTION

The period between January and September 2013 has been characterized by a gradual deterioration of market conditions.

During these nine months, the group has carried out its activities in an unfavorable market environment, in which the continued decline of prices for raw materials, slow economic growth and the economic crisis, especially in Europe, have caused a drop in demand, which has been very pronounced in the distribution sector.

Nevertheless, throughout the first three quarters of 2013, TUBACEX has maintained a backlog of approximately five months, whereby its current sales backlog is until January/February, depending on the type of product.

PROJECTS MARKET

As for demand in the Projects Market, macroeconomic uncertainty has led to a slight slowdown in orders with noticeable geographic differences. The slowdown has been sharper in Europe and Latin America, whilst the market in the United States and Asia show better performance.

By segment, the **E&P** segment may be affected in the short term by the announcement of the delay in the implementation of the Petrobras investment plan and its subsequent effect on OCTG Production Tubing sales. However, in the medium term, TUBACEX is confident with regards to this segment's performance.

As for the **Powergen** sector, there has been sight growth in recent months, with the reception of significant purchase with final destination in Asia. Regarding the **refining** sector, good performance is maintained.

Finally, it must be remembered that in the first nine months of 2013, TUBACEX has achieved a major milestone: the reception of the first major umbilical orders, most of which will be manufactured and delivered in the last quarter of the year.

Therefore, we maintain our forecast of gradual entry into the umbilical market, with the objective of 100% operational capacity by 2015 .

DISTRIBUTION MARKET

With respect to the Distribution Market, its performance during these nine months has been characterized by weakness, emphasized in the third quarter, caused mainly by the downward tendency of the price of nickel and its effect on the alloy surcharge that is leading to a short-term reduction in orders in this current market.

For the remainder of the year, TUBACEX does not foresee a significant change in the performance of this market.

REVENUES BY COUNTRY

Regarding the geographical distribution of revenues, Europe accounts by more than half of the total sales. But it is worth to take into account that for Group sales for new installations in the oil, gas and energy sectors, it is common that customer's engineering or manufacturing departments are European (and therefore Europe is the destination of sale), but the final destination of the product may be a different geographical area. As for Spanish market, it accounts less than 5% of the revenues, in line with the normal performance.

SIGNIFICANT EVENTS

VISIT BY THE BASQUE COUNTRY REGIONAL PRESIDENT
July 23, 2013

Basque Country Regional President, Iñigo Urkullu visited TUBACEX last July 23. In addition to a meeting with the Board of Directors of the Company, there was a tour of Group's production facilities in Llodio.

INVESTMENT IN TTI LLODIO
August/September, 2013

During the summer, there was an extraordinary production shut-down of the extrusion press in TTI Llodio, with the objective of carrying out normal maintenance on these dates as well as investment in order to increase the power of the press.
This planned investment is necessary to adapt production capacities to new strategic products.

SIGNIFICANT EVENTS

PRESENTATION OF STRATEGIC PLAN TO CUSTOMERS
September 9/10, 2013

Among the events planned for the celebration of its 50th anniversary, on 9 and 10 September, TUBACEX organized a customer presentation ceremony for the 2017 Strategic Plan. More than 50 customers, including the most important of those, attended the event held at the Group's headquarters.

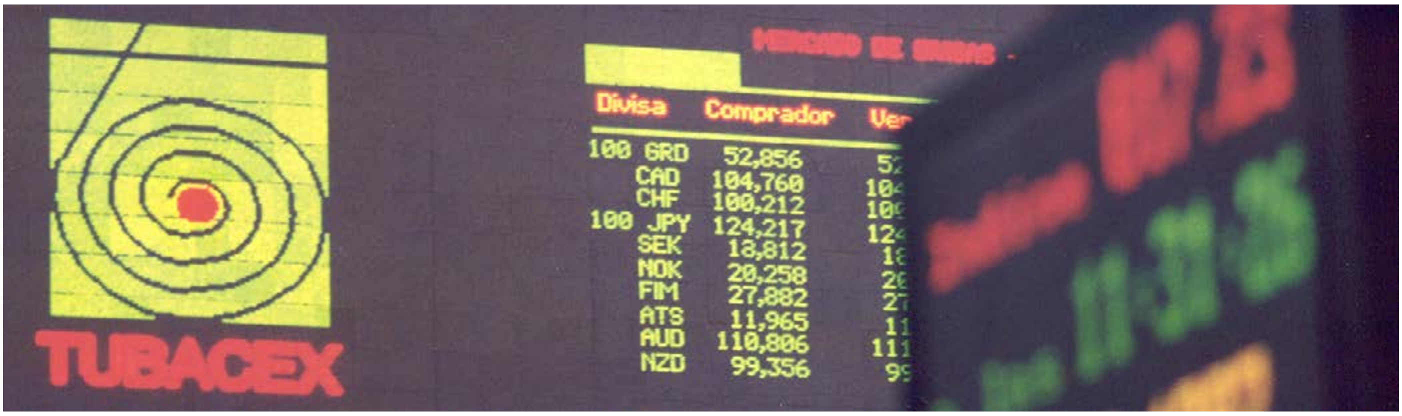
Over these two days, TUBACEX revealed to its customers its progress in the development of new strategic products and future development of new high value-added product lines. Guided tours of the Group's production installations were also organized in order for customers to see first-hand the Company's latest investments, such as the investment in the new TTI Llodio extrusion press and the new OCTG manufacturing line in Amurrio.

The high turn-out for this event is a clear sign of the confidence that customers place in TUBACEX and in their ability to adapt to changing market needs and to develop new high value-added product lines.

DIVIDENDS
November 11, 2013

Due to the favorable evolution of TUBACEX cash generation, the Board of Directors has made the decision to pay out an interim dividend against 2013.

Payment will be issued on November 11 at an amount of 0.0231 euros per share. This dividend, together with the two dividend distributions in the first half of the year, charged against 2012 results, indicate a clear commitment by TUBACEX with respect to remuneration of its shareholders.



TUBACEX ON THE STOCK MARKET

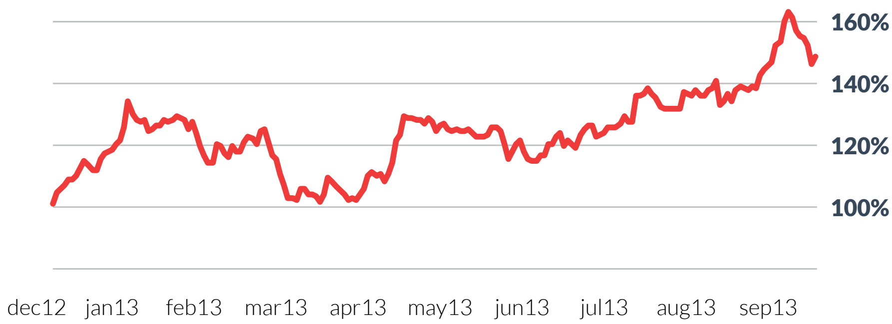
EVOLUTION OF TUBACEX STOCK

ENE 13 - SEP 13

TUBACEX shares have increased by 47.6% between January and September of 2013, closing with a value of €2.93 per share on September 30th, which represents a market capitalization of 389.6 million Euros.

Thus, corresponding to the third quarter of the year, the revaluation obtained in this period was 23.9%, going from €2.365 per share at the end of June to €2.930 in September.

In terms of volume, between January and September of 2013, a total of 75.93 million TUBACEX shares were traded, 2.5 times more than that traded in the same period of 2012, and which represent a rotation of 57.1% of the Company's capital.



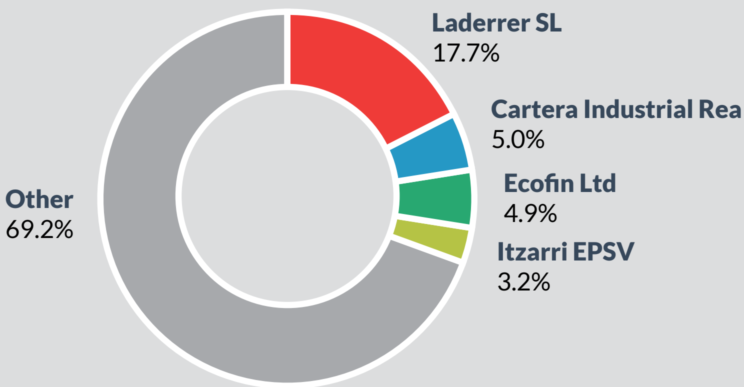
TUBACEX SHAREHOLDING

CURRENTLY

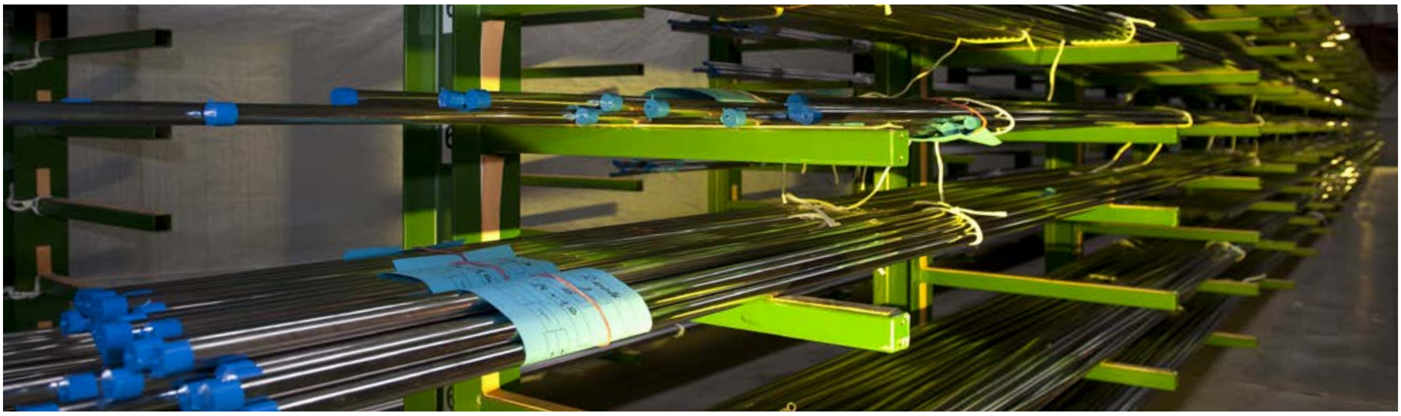
During the first quarter of 2013, there were significant changes in the shareholding of the Company.

Atalaya Inversiones and CaixaBank, lost their status as significant shareholders and resigned from the post of proprietary director, held by each member of the Board of Directors. On the other hand, Itzarri EPSV and Ecofin Ltd. became significant shareholders.

In the third quarter of the year, no changes occurred in the shareholding of the Company. Therefore, as stated in the CNMV, the same structure as that of 30 June is maintained.



Source: CNMV (Spanish Securities Exchange Commission)



FINANCIAL FIGURES

CONSOLIDATED BALANCE SHEET
(€ M)

	30/09/2013	31/12/2012	% Change
Tangible assets	188.1	173.8	8.3%
Intangible assets	33.0	34.0	-3.0%
Financial assets	55.4	55.2	0.0%
Non-current assets	**276.3**	**263.0**	**5.1%**
Inventories	188.6	231.6	-18.6%
Receivables	89.8	116.4	-22.9%
Other account receivables	38.3	33.4	14.6%
Other current assets	1.3	1.8	-26.9%
Derivative financial instruments	0.0	0.1	-100.0%
Cash and equivalents	28.5	28.9	-1.6%
Current assets	**346.5**	**412.3**	**-16.0%**
TOTAL ASSETS	**623.0**	**675.3**	**-7.8%**
Equity, Group Share	259.9	251.5	3.2%
Minority interests	0.5	0.5	-3.8%
Equity	**260.4**	**252.0**	**3.2%**
Interest-bearing debt	109.1	137.2	-20.5%
Derivative financial instruments	0.5	0.5	-9.6%
Provisions and other	37.4	38.4	-1.1%
Non-current liabilities	**147.6**	**176.1**	**-16.2%**
Interest-bearing debt	120.6	154.0	-21.7%
Derivative financial instruments	0.5	1.3	-58.4%
Trade and other payables	51.4	53.9	-4.7%
Other current liabilities	43.1	38.0	12.4%
Current liabilities	**215.2**	**247.2**	**-12.9%**
TOTAL EQUITY AND LIABILITIES	**623.0**	**675.3**	**-7.8%**

CONSOLIDATED P&L
(€ M)

	9M 2013	9M 2012	Change %	Q3 2013	Q3 2012	Change %
Sales	412.0	394.8	4.4%	114.1	111.7	2.2%
Change in inventories	(32.7)	34.2	n.m.	(22.9)	7.3	n.m.
Other income	2.9	2.3	24.5%	1.1	0.5	124.9%
Cost of materials	(196.0)	(250.6)	-21.8%	(46.1)	(70.8)	-34.8%
Personnel expenses	(80.1)	(75.2)	6.4%	(20.0)	(20.6)	-2.8%
Other operating costs	(67.5)	(66.5)	1.4%	(18.7)	(15.2)	22.7%
EBITDA	**38.6**	**38.9**	**-0.7%**	**7.4**	**12.8**	**-42.4%**
Depreciation	(14.5)	(14.3)	1.2%	(3.7)	(3.6)	4.9%
EBIT	**24.1**	**24.6**	**-1.8%**	**3.6**	**9.2**	**-60.7%**
Financial Result	(10.8)	(10.5)	3.2%	(3.6)	(4.2)	-12.4%
Exchange differences	(0.5)	0.3	n.m.	0.0	(0.3)	n.m.
Profit Before Taxes	**12.8**	**14.4**	**-11.0%**	**(0.0)**	**4.7**	**n.m.**
Income taxes	(0.9)	(4.6)	-80.4%	1.0	(1.7)	n.m.
Consolidated Net Income	**11.9**	**9.8**	**21.6%**	**1.0**	**3.1**	**-67.7%**
Minority interests	(0.0)	(0.4)	-89.8%	0.2	0.2	3.6%
Net Income, Group Share	**11.9**	**9.4**	**26.5%**	**1.2**	**3.2**	**-64,0%**

* n.m.: not meaningful

MAIN FINANCIAL RATIOS
(€ M)

	9M 2013	9M 2012	% Change
NFD / EBITDA	4.4x	6.0x	-26%
EBITDA Margin	9.4%	9.9%	-5%
RoE	5.5%	4.2%	33%
ROCE	4.0%	3.5%	14%
Interest coverage	2.2x	2.3x	-4%
Net working capital / sales	40.6%	51.0%	-20%

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