PRESENTATION OF THE RESULTS

1ST HALF 2016

TUBACEX GROUP

The market environment we have faced during the first half of 2016 has continued to be negative. Despite the stabilization and, in some cases, slight recovery of raw material prices throughout the second quarter there have been no significant changes in our sector demand and its recovery seems to have been delayed until the second half of 2017. The Group's EBITDA amounted to €19.9 million during the first half of the year, 40.9% below that obtained in the same period last year. Nevertheless, as we announced in the previous quarter, we are starting to see better results thanks to operational improvements and a steady progress in our positioning in the high value-added product segment. As a result, during the second quarter EBITDA amounted to €12.2 million i.e. 57% higher than EBITDA in the first quarter and with a margin of 8.7%.

As we reported in our first quarter results, the largest OCTG tubing order was won by the Group. Our premium product positioning strategy is bearing fruit and we can now announce a new milestone for TUBACEX: the largest order of Umbilical Tubes in our history. Although this order will not have an impact on this year's results as production will start in 2017, for the next couple of years it will improve visibility for one of the most sophisticated products we manufacture which is yet another example demonstrating that the Group's leap towards premium products is a reality.

Moreover, we continue to win very significant orders in other high value-added products which indicates that the prospects for this market are optimistic in the medium term.

Meanwhile in the short term, we continue to maintain a financial soundness which is enabling us to face this crisis with the confidence of being capable to address our financial needs even in the worst possible scenarios. We will continue to make efforts throughout this financial year aimed at further operational improvements, increasing efficiency and reducing costs. In addition we remained focused on reducing our dependence on the Oil&Gas sector, thanks to the full integration of IBF and Prakash as well as the development of new steel grades and technologies which have positioned us as leaders of the supercritical boiler segment.

In spite of the unprecedented crisis we face in the Oil&Gas sector, the resilience demonstrated by TUBACEX is as a good example for proving that our Strategic Plan for product, operational and management improvement is correct. Based on this belief, we continue to progress in all three dimensions as we will be better equipped to make the most of the market change which will undoubtedly take place.

During forthcoming quarters we expect to maintain a steady improvement in results based on winning major premium product projects and improved efficiency. However, the generally weak situation of the market will make the evolution of other products decisive for our global annual results.

MARKET ENVIRONMENT

TUBACEX GROUP

The global recovery which started in 2015 has continued in 2016 but at a weak pace. The IMF expects economic recovery will progress at a moderate yet sustained rate in the future; although the Fed, Brexit and the political situation in Brazil could lead to volatile episodes in the short term.

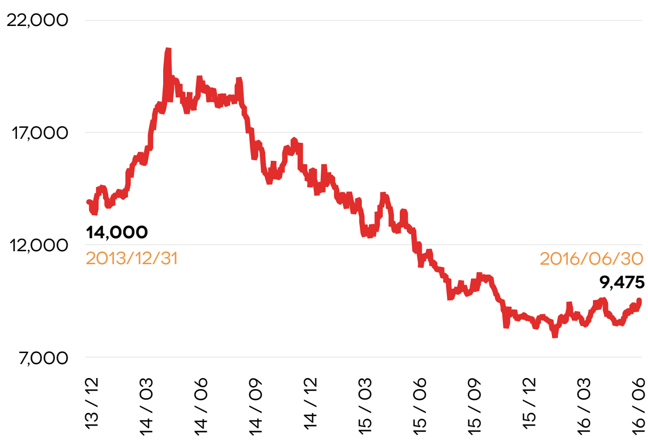
Since April **nickel price** has reversed its downward trend. After a 3.9% fall during the first quarter 2016, at June 30th nickel price showed a cumulative annual appreciation of 8.9% with a closing price of $9,475 per ton in relation to $8,700 per ton registered at the end of 2015. In terms of average prices, it stands at $8,713 per ton, i.e. 36.6% and 20.1% below the average price of the first half 2015 and of the entire previous financial year respectively.

The other two alloys with significant weight in the Group's supplies for the manufacture of stainless steel are molybdenum and chromium. Molybdenum price has also improved throughout the second quarter accumulating an increase of 29% in the financial year to date, although average price is still 14% lower than its price in 2015. In regards to Chromium, its price has remained low with an 11% drop in relation to 2015-year end prices and 20% lower in terms of average prices.

However, **oil price** is maintaining its good annual trend with an accelerated recovery during the second quarter. The Brent barrel closed June at $49.66, up 33.2% on the close of 2015. In recent weeks, Brent barrel price appears to have stabilized at around $50, which is an appreciation of almost 80% from its lowest price in mid-January.

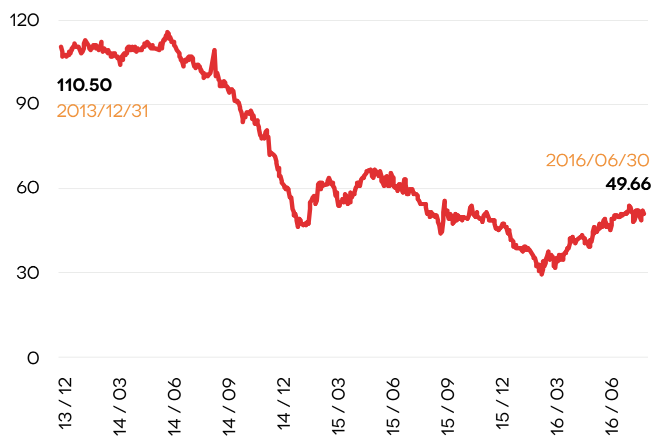
EVOLUTION OF THE NICKEL PRICE

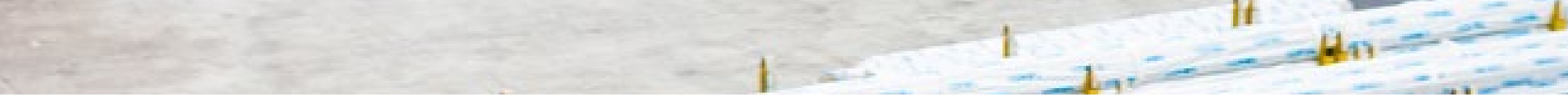
DEC 13 – JUN 16 (US$/TON)



EVOLUTION OF THE BRENT PRICE

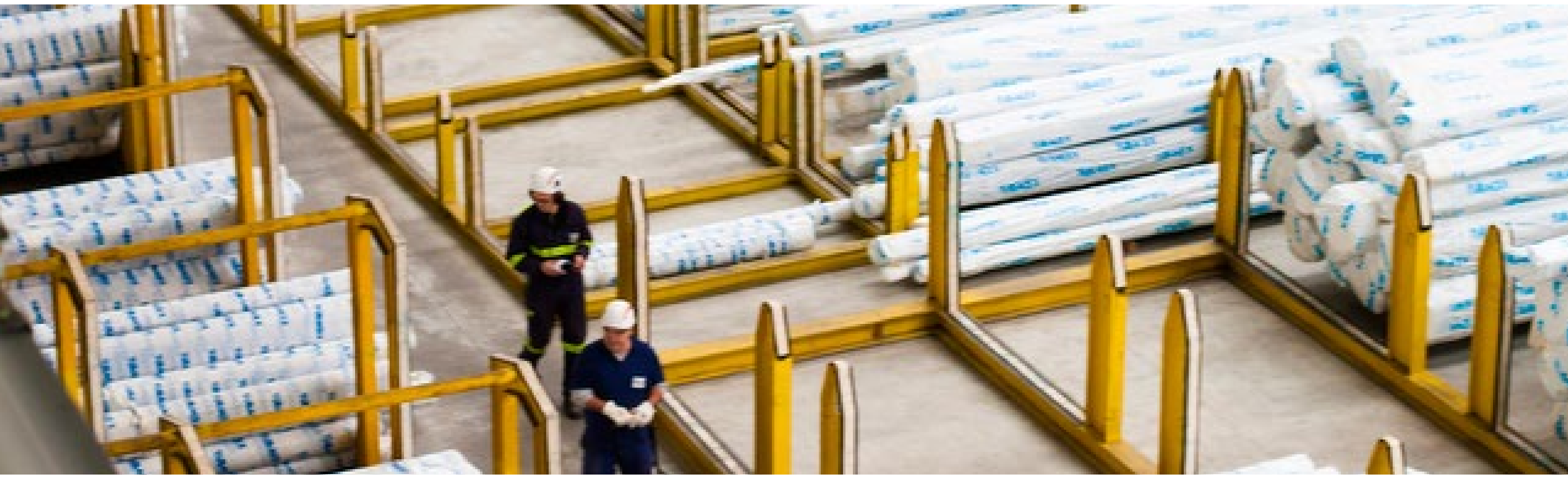
DEC 13 – JUN 16 (US$/BARREL)





KEY FINANCIAL FIGURES

TUBACEX GROUP



The first half of 2016 was set amid a very unfavorable market environment. The weakness of raw materials and oil prices in the previous financial year led to a major CAPEX reduction in Oil&Gas sector companies and impacted very negatively and gradually on TUBACEX results quarter after quarter.

FINANCIAL FIGURES

€ M

	H1 2016	H1 2015	change %	Q2 2016	Q2 2015	change %
Sales	**261.5**	302.5	**-13.5%**	**140.2**	142.7	**-1.8%**
EBITDA	**19.9**	33.7	**-40.9%**	**12.2**	16.2	**-25.1%**
EBITDA margin	7.6%	11.1%		8.7%	11.4%	
EBIT	**3.1**	17.9	**-82.5%**	**3.7**	7.5	**-49.9%**
EBIT margin	1.2%	5.9%		2.7%	5.2%	
Net Profit	**1.7**	14.0	**-87.7%**	**2.2**	7.3	**-70.0%**
Margen	0.7%	4.6%		1.6%	5.1%	

	2016/06/30	2015/12/31
Working Capital	**206.7**	210.1
Working Capital / Sales	**42.0%**	39.4%
Equity	**313.1**	317.5
Equity / Net Financial Debt	**145.0%**	144.0%
Net Financial Debt	216.0	220.5
NFD/ EBITDA	6.1x	4.5x

The sales figure for the first semester stood at € 261.5 million, down 13.5% on the sales for the first half of 2015 as a result of the fall in volume and negative impact of raw materials and pressure on prices. However, as we already mentioned in the publication of our previous results, second quarter results have begun to show an improvement trend thanks to the increase in premium product market share as well as to operational improvements. EBITDA during the second quarter stands at €12.2 million, 25.1% down in relation to the figure of the second quarter 2015; but 56.7% higher than EBITDA in the first quarter of this financial year and with an EBITDA margin of 8.7% which is significantly higher than the margin of recent quarters.

As for the Balance Sheet, the working capital amounts to €206,7 million, slightly below the close of 2015. Financial debt stands at €216.0 million.

The Net Financial Debt over EBITDA temporarily stands at 6.1x as the EBITDA over the past 12 months has fallen significantly on including a very weak first half of this year in its calculation and excluding the first half of 2015, which was the strongest last year. This ratio will be normalized and reduced throughout the year to near 4x, as TUBACEX forecasts the generation of positive Free Cash Flow in the financial year, returning to the strategic target of 3x in 2017.

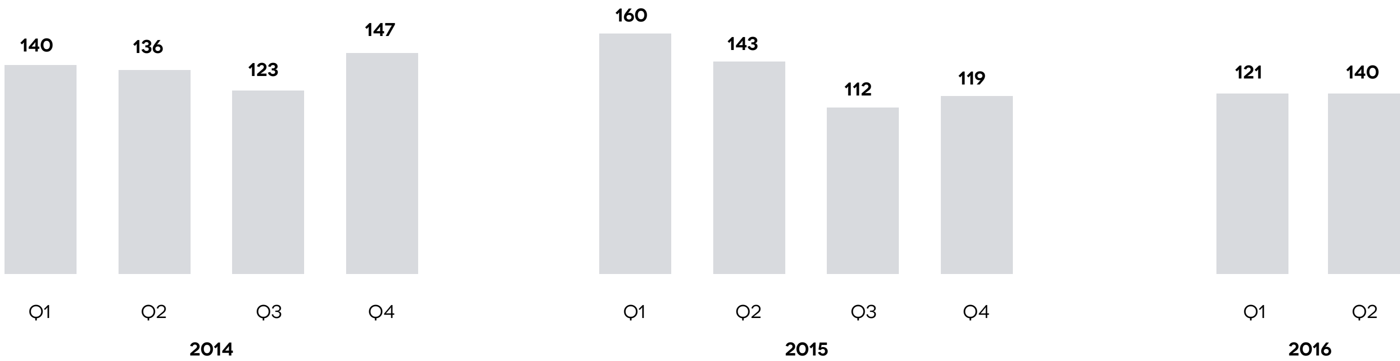
The financial strength of the Group is also worth highlighting. TUBACEX financial strategy in recent years has been aimed at optimizing costs and the diversification of financing sources.

The success of this financial strategy can be seen in two specific facts: (i) financial expenditure below that of the first half of 2015, in spite of having greater debt as a result of the acquisition of two companies; 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.

As for future perspectives, we foresee a significant improvement in the invoiced mix over forthcoming quarters based on winning large premium product orders, even though the result for the year will depend on the general evolution of the market.

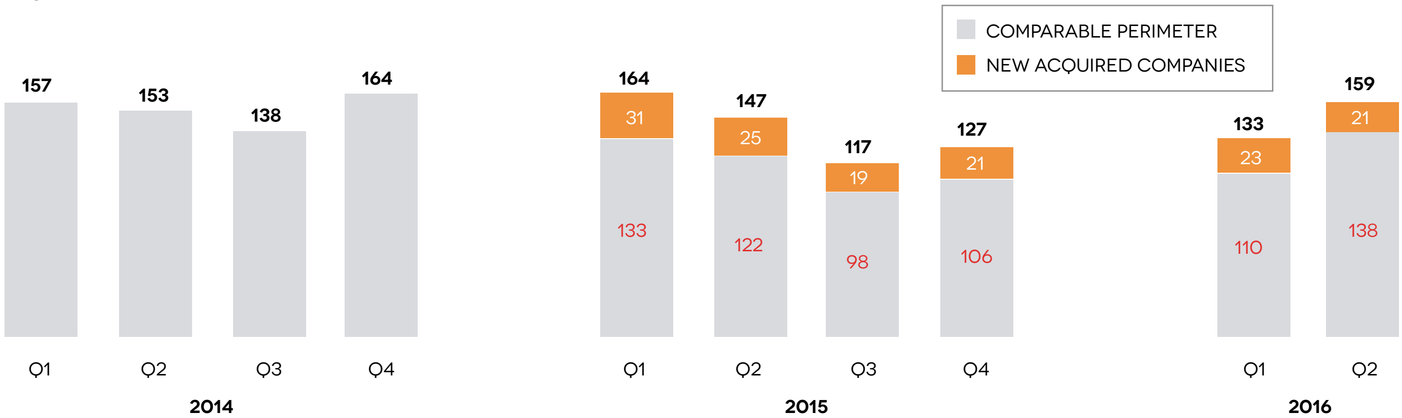
QUARTERLY EVOLUTION OF THE SALES FIGURE

M €



QUARTERLY EVOLUTION OF THE ADJUSTED SALES FIGURE *

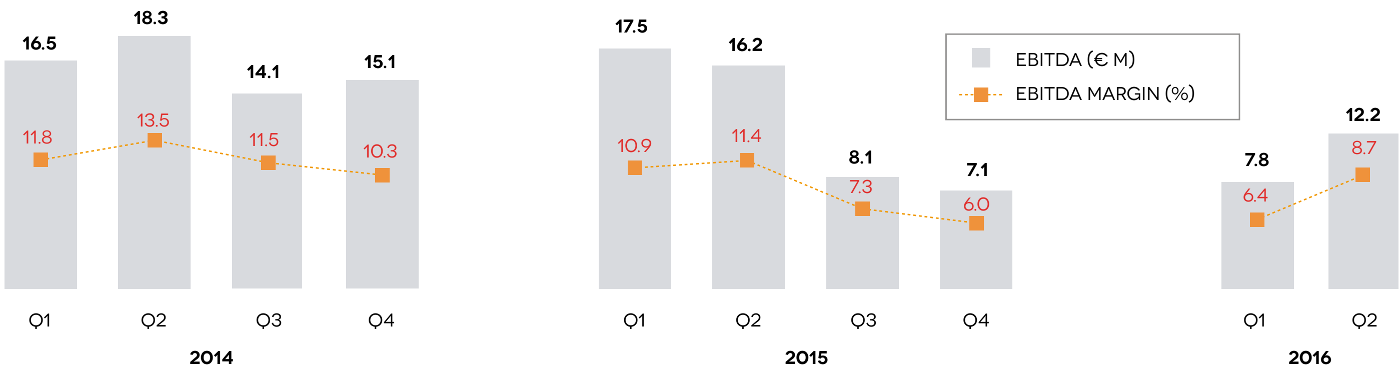
M €



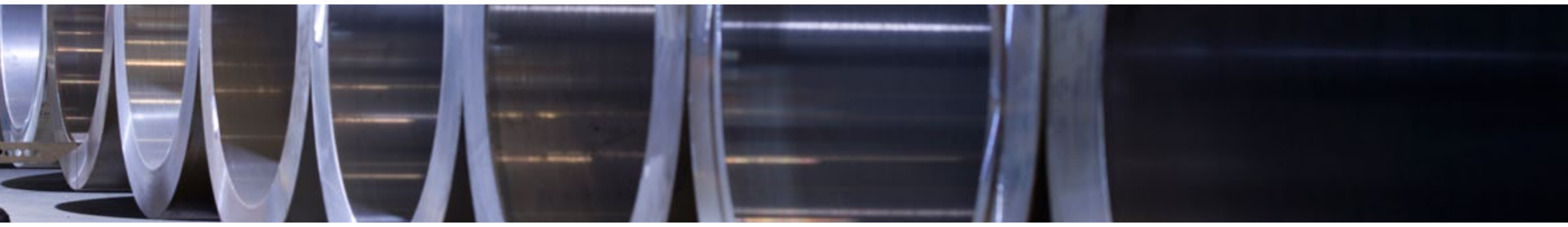
Sales figure calculated assuming the stable nickel price of 2012.

QUARTERLY EVOLUTION OF THE EBITDA FIGURE

M €



BUSINESS EVOLUTION



The business environment of the TUBACEX Group in the first half of the year has maintained the trend shown in the last quarter of 2015, characterized by a gradual worsening of sales in terms of volume and prices. Nevertheless, winning significant premium product orders is contributing to offset this trend since April.

Sales through the distribution channel have registered a very weak performance due to the particular impact of sustained very low nickel prices, as well as offbeat activity in the Oil&Gas sector, which is the main recipient of tubes sold through this channel.

As far as **direct sales to engineering firms and the end-user** are concerned, it is worth highlighting two significant events: on the one hand, as in the previous quarter, this sales channel continues to gain weight in line with the Group's strategy and accounts for 75% of order intake; while on the other hand, the **PowerGen** sector strength is maintained as it continues to be the first destination sector for TUBACEX products, concentrating 45% of sales. 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 increase the Group's market share in this segment.

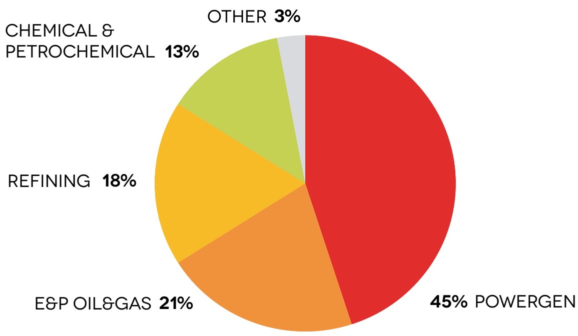
It is also worth mentioning an upturn in the **E&P** sector negative trend after three consecutive quarters of weight reduction in the Group's global sales. This sector, which represented 15% of sales in the first quarter, now accounts for 21% in the semester due to the start of deliveries of a major OCTG order received in March. Based on the current backlog and good order intake prospects in the Middle East, this percentage is expected to continue to increase gradually in forthcoming quarters.

In regards to the **Refining and Petrochemical Industry**, the activity drop in the E&P sector has translated into a significant competition increase, while a Capex reduction in the entire oil industry has also affected this segment. The foregoing events have triggered a slight reduction of total sales in these sectors from 25% to 18% and from 15% to 13% respectively.

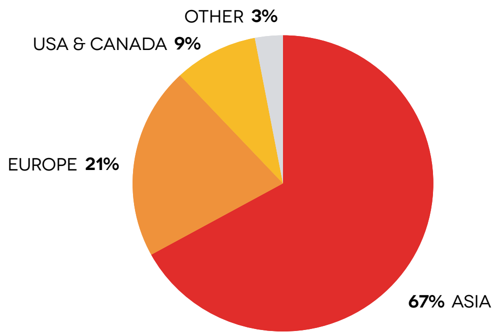
BREAKDOWN OF DIRECT SALES TO ENGINEERING FIRMS AND END-USER

1ST HALF 2016

BREAKDOWN BY SECTOR



BREAKDOWN BY FINAL DESTINATION



A geographical breakdown by final sales destination shows the Asian market continues to maintain its leadership in the Group's sales as has been the case in recent quarters. This trend will continue in the future as Asia is currently 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 position in this region during the last year, incorporating industrial plants and opening sales offices. In the short term, our sales strategy in this region will require us to strengthen our position in Iran, emerging as one of the major countries in terms of demand of the Group's products in forthcoming years.

SIGNIFICANT EVENTS

TUBACEX GROUP

SHAREHOLDERS' ANNUAL GENERAL MEETING
MAY 2016

TUBACEX held its Shareholders' Annual General Meeting on May 25th, in which the annual accounts, Management Report and Corporate Governance Report corresponding to the 2015 financial year were approved.

The AGM also approved an incentive scheme for the Management Team aimed at strengthening the executives' commitment to achieving TUBACEX's strategic objectives and agreed to an ordinary dividend of gross €0.0259 per share to be paid on June 6th which represents a 40% pay-out of the net 2015 financial year profit and a total disbursement of €3.4 million for the Group.

REINFORCED SALES PRESENCE IN IRAN
2Q 2016

On the outlook of Iran playing a major role for TUBACEX in forthcoming years due to its large oil and gas reserves as well as its need to retrofit all infrastructures across the country, the Group is gradually improving its presence in the Iranian market. As a result of this, TUBACEX organized the first technical Oil&Gas conference in Tehran on May 31st. The event was attended by over 140 people from the entire value chain including end users, EPCs, engineering firms and manufacturers. The conference particularly focused on advanced solutions offered by the Group for the petrochemical, power generation, refining and fertilizer sectors. Moreover, TUBACEX has opened a sales office in Tehran and a distribution warehouse to bring the offer of the Groups' products and services closer to the local market.

TUBE&WIRE FAIR AND OIL&GAS CONFERENCE
APRIL – MAY 2016

Between April 4th and 8th, TUBACEX attended the Tube&Wire Fair in Düsseldorf, the most important event in the tube product sector. At this event, TUBACEX presented new portfolio products such as tubes for high pressure, as well as new steel grades (253Ma), making progress in its positioning as a provider of tubular solutions.

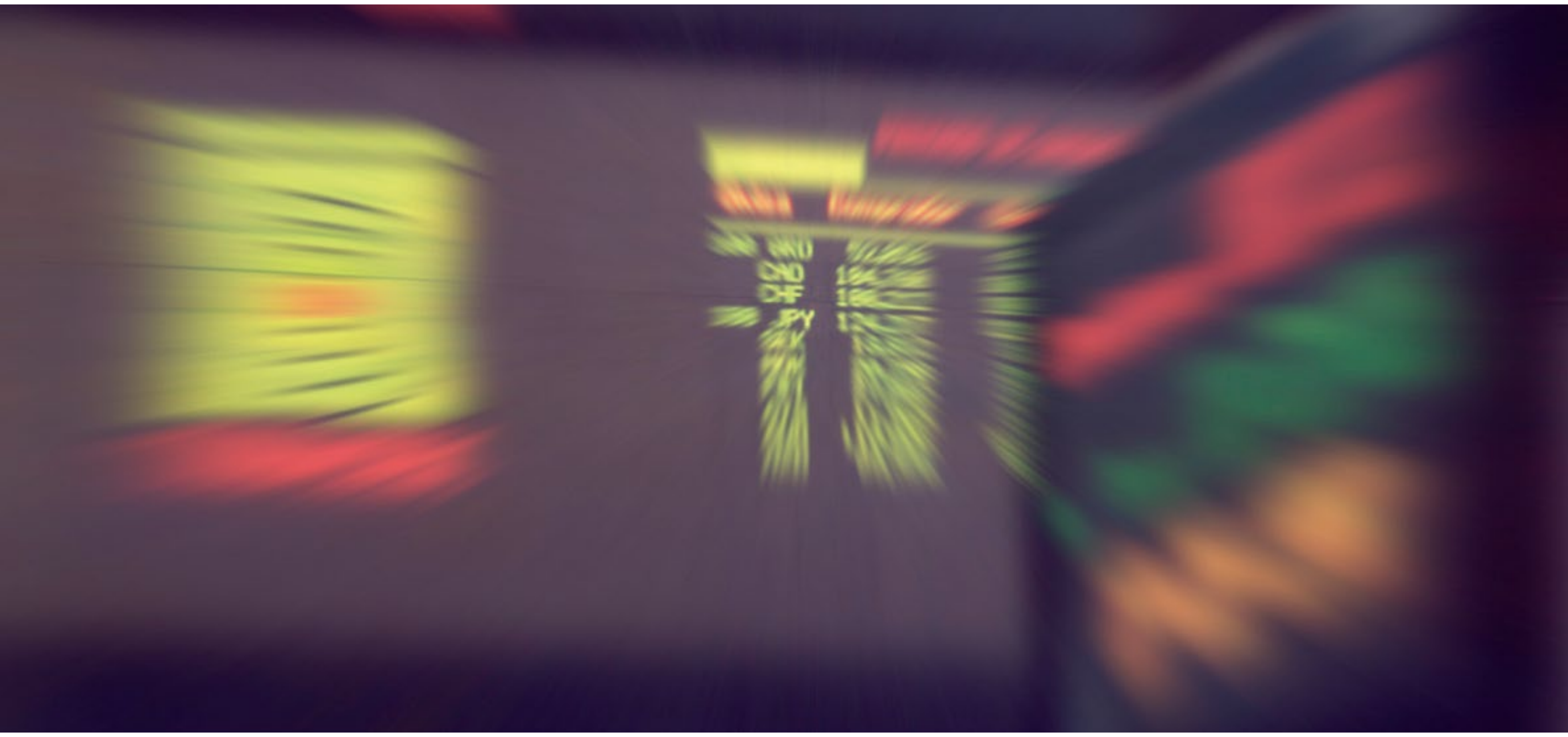
TUBACEX was Platinum Sponsor at the first Oil&Gas Conference Bilbao held between May 31st and June 1st. This is an event of interest for the sector aiming to foster inter-sector relationships and networking among the different agents and key players in the sector. For one and a half days under a strategic and technological approach, accredited and specialist national and international speakers talked about the main issues in the sector.

THE LARGEST ORDER OF UMBILICAL PRODUCTS
JUNE 2016

TUBACEX Group received an order to supply umbilical tubes worth almost €40 million from Nexans. This is the largest order of this type of tubes in the Group's history. The tubes, expected to be delivered between 2017 and 2019, are for the Shaz Deniz project, a gas field located 90 km away from the coast of Azerbaijan and operated by BP. This gas field will reduce European dependence on Russian gas.

TUBACEX ON THE STOCK MARKET

TUBACEX GROUP



SHARE EVOLUTION
JAN 16 – JUN 16

During the first half of the year TUBACEX shares showed a very positive stock market performance, accumulating an appreciation of 24.9%. At closing on June 30th 2016, TUBACEX share price was at €2.185 representing a market capitalization of €290.6 million in relation to that of €232.7 million at 2015 closing.

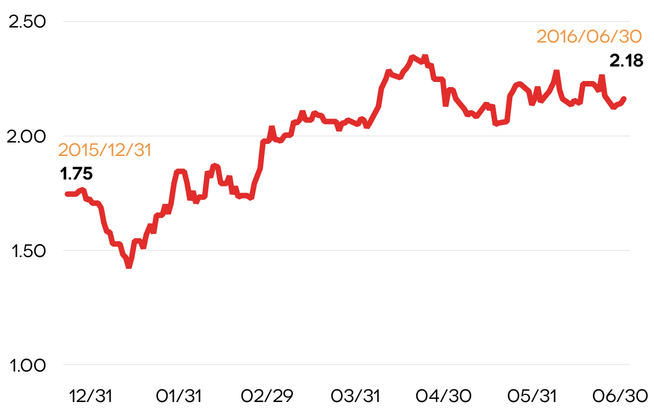
As for share liquidity, the volume traded has fallen with respect to the record figures reached in 2015. Between January and June 2016, a total of 43.7 million shares have been traded, or in other words, 32.8% of the capital and 56.8% less than the same period in 2015.

SHAREHOLDING
2016.06.30

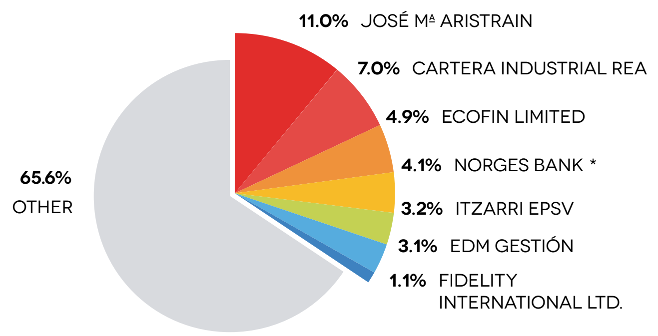
During the second quarter of 2016, there was no change in the structure of the company's significant shareholders.

During this semester, the only change was signed by Cartera Industrial Rea in January, when its shareholding increased from 5.0% to 7.0%.

Therefore, as recorded in the Spanish Securities Exchange Commission (CNMV), the TUBACEX shareholder structure at 2016 June 30th is as follows:



Source: CNMV (Spanish Securities Exchange Commission)



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

FINANCIAL FIGURES

TUBACEX GROUP

CONSOLIDATED BALANCE SHEET

€ M

	2016/06/30	2015/12/31	change %
Intangible assets	67.8	68.8	-1.4%
Tangible assets	266.5	263.7	1.1%
Financial assets	64.5	61.9	3.9%
Non-current assets	**398.9**	394.4	**1.1%**
Inventories	217.4	226.7	-4.1%
Receivables	88.9	79.8	11.4%
Other account receivables	15.9	13.7	15.9%
Other current assets	1.4	1.4	2.7%
Derivative financial instruments	0.4	0.4	55.9%
Cash and equivalents	140.6	142.8	-1.5%
Current assets	**464.6**	464.7	**0.0%**
TOTAL ASSETS	**863.4**	**859.1**	**0.5%**
Equity, Group Share	284.9	288.6	-1.3%
Minority interests	28.2	28.9	-2.5%
Equity	**313.1**	317.5	**-1.4%**
Interest-bearing debt	181.8	166.1	9.4%
Derivative financial instruments	1.2	0.8	49.1%
Provisions and other	44.0	48.7	-9.7%
Non-current liabilities	**226.9**	215.6	**5.3%**
Interest-bearing debt	174.8	197.1	-11.3%
Derivative financial instruments	0.9	0.9	-3.1%
Trade and other payables	99.7	96.4	3.4%
Other current liabilities	48.0	31.6	52.1%
Current liabilities	**323.4**	326.0	**-0.8%**
TOTAL EQUITY AND LIABILITIES	**863.4**	**859.1**	**0.5%**

CONSOLIDATED P&L
€ M

	H1 2016	H1 2015	change %	Q2 2016	Q2 2015	change %
Sales	261.5	302.5	-13.5%	140.2	142.7	-1.8%
Change in inventories	2.4	(14.9)	n.m.	(1.7)	1.0	n.m.
Other income	6.2	3.7	71.0%	4.9	2.6	91.0%
Cost of materials	(132.6)	(146.5)	-9.5%	(68.3)	(79.6)	-14.1%
Personnel expenses	(63.7)	(67.5)	-5.7%	(33.5)	(34.0)	-1.6%
Other operating costs	(54.0)	(58.5)	-7.6%	(29.4)	(31.5)	-6.7%
Badwill	-	15.0	n.m.	-	15.0	n.m.
EBITDA	**19.9**	33.7	**0.3**	**12.2**	16.2	**-25.1%**
Depreciation	(16.8)	(15.8)	6.3%	(8.4)	(8.7)	-3.9%
EBIT	**3.1**	17.9	**-82.5%**	**3.7**	7.5	**-49.9%**
Financial Result	(4.4)	(5.9)	-25.8%	(2.3)	(3.2)	-29.3%
Exchange differences	(0.1)	1.6	n.m.	0.1	(0.0)	n.m.
Profit Before Taxes	**(1.4)**	13.6	**n.m.**	**1.5**	4.2	**-64.2%**
Income taxes	2.4	(0.0)	n.m.	0.7	2.4	-72.7%
Consolidated Net Income	**1.0**	13.5	**-92.8%**	**2.2**	6.6	**-67.3%**
Minority interests	0.7	0.4	81.8%	0.0	0.7	-96.5%
Net Income, Group Share	**1.7**	14.0	**-87.7%**	**2.2**	7.3	**-70.0%**

n.m.: not meaningful

MAIN FINANCIAL RATIOS

	H1 2016	Q1 2016	2015
NFD / EBITDA	6.1x *	6.1x	4.5x
NFD / Equity	69.0%	76.2%	69.4%
EBITDA Margin	7.6%	6.4%	9.2%
EBIT Margin	1.2%	neg.	2.9%
RoE	neg.	0.5%	2.9%
RoCE	0.1%	0.8%	2.9%
Interest coverage	0.7x	neg.	1.7x
Net working capital / sales	42.0%	44.7%	39.4%

neg.: Negative

** Consequence of the calculation of the EBITDA over the past twelve months on including a very weak first half of this year in its calculation and excluding the first half of 2015, the strongest of the year. This ratio will be near to 4x at year-end.*