



Strategic Plan



Specialized in large stainless steel tubes for the oil & gas and power generation sectors

TUBACEX ENTERS INTO A LETTER OF INTENT FOR THE ACQUISITION OF THE ITALIAN COMPANY, IBF

Llodio, 31st July 2014.- TUBACEX, the world's second manufacturer of seamless stainless steel tubes, has notified the Spanish Securities Exchange Commission (CNMV) today that it has entered into a letter of intent for the acquisition of the Italian company, IBF SpA, with the aim of signing the transaction in the last quarter of 2014.

IBF is a leading manufacturer of high alloy seamless steel tubes and special fittings, focusing on larger diameters and heavier wall thicknesses than those currently produced by TUBACEX. IBF is a reputed global supplier of customized solutions for the leading companies in oil and gas extraction (sub-sea, top-side and on-shore) and power generation (conventional and nuclear), as well as for the petrochemical industry and LNG.

The company has two production sites in Italy, a workforce of approximately 300 people and an annual turnover of around 140 million euros.

The transaction falls into the growth strategy set out in the TUBACEX Strategic Plan and its successful conclusion will enable the company to complement its product range and increase its presence in the oil & gas and power generation sectors.

It is expected that over the forthcoming months TUBACEX will complete the due diligence process and hence specify the terms of the final agreement, which will essentially be set out in a Share Purchase Agreement.