



PRESS RELEASE

TUBACEX POSTS LOSSES OF 9.31 MILLION EUROS IN Q1, BUT IMPROVES THE Q4 2009 FIGURES

(Llodio, 13 May 2010).- TUBACEX, the world's second largest seamless stainless steel tube manufacturer, registered in the first quarter of 2010 a negative result of 9.31 million euros, as a consequence of the strong international economic crisis, according to the information sent by the company to the Spanish Securities and Exchange Commission (CNMV).

The demand for seamless stainless steel tubes manufactured by TUBACEX is still suffering the effects of the stagnation of activity and investment in most industrial fields, especially in oil and gas, petrochemical, chemical and energy sectors, which account for approximately 90% of the Group's revenues. However, there are clear signs of recovery in these sectors. Thus, consolidated sales have reached 72.52 million euros in the first quarter, which represents an increase of 6.6% over the fourth quarter of 2009.

Despite the difficult market environment, the company, due to the implementation of measures to increase competitiveness, has improved its figures over the last quarter of 2009. Thus, gross operating profit (EBITDA) amounted to -4.42 million euros (compared with -18.73 million euros recorded in the last quarter of 2009) and the operating profit (EBIT) stood at -9.25 million euros (over -22.51 million euros in the fourth quarter of 2009).

TUBACEX is registering an increase of activity in the first part of the year and a progressive improvement of the results in the upcoming quarters is expected. The reactivation of investment projects and the increase in the demand from tube distributors, impulsed by the growth in the worldwide economic activity and the prices of oil and raw materials, have placed the order intake in the first quarter 30% above the last quarter of 2009 and over 50% above the quarterly average of 2009, all with a progressive improvement in margins.

TUBACEX continues to develop its Strategic Plan with the commercialization of new products of high technological value, especially in the oil, gas and energy sectors. Its alliance with Vallourec & Mannesmann must be highlighted, since it is beginning to bear fruit with significant orders for boiler and OCTG tubes. It is also worth mentioning the deployment of the umbilical tubes (offshore) manufacturing plant in Austria.

The company, in line with its traditional internationalization strategy, exports over 95% of its production.



PRESS RELEASE

EVOLUTION OF CONSOLIDATED RESULTS IN THE 1ST QUARTER

	Q1 2010	Q4 2009	Q1 2009	%/Q4 2009	%/Q1 2009
Sales	72.52	68.03	151.00	+6.6%	-52.0%
Gross Operating Profit (EBITDA)	-4.42	-18.73	11.30	n.s.	n.s.
Operating profit (EBIT)	-9.25	-22.51	6.47	n.s.	n.s.
Net profit	-9.31	-10.04	3.22	n.s.	n.s.

Figures in millions of euros. n.s.: not significant.