



## PRESS RELEASE

### TUBACEX RECORDS POSITIVE €6.25M EBITDA FROM JANUARY TO SEPTEMBER

(Llodio, 5 November 2010).- TUBACEX, the world's second largest seamless stainless steel tube manufacturer, obtained a positive gross operating profit (EBITDA) of 6.25 million euros during the first three quarters of 2010 compared to the 0.35 million euros registered in 2009 for the same period, according to the information sent to the Spanish Securities and Exchange Commission (CNMV). From January to September, the accumulated net profit, which was burdened by the figures in the first quarter of the year, accounts for -8.22 million euros.

In the third quarter, the Group has achieved a positive EBITDA of 5.71 million euros and a consolidated net profit of 0.66 million euros, thus continuing the progressive profit recovery trend initiated in the previous quarter. This is the second consecutive trimester in which TUBACEX registered positive results reflecting the focus of the Group in improving competitiveness and reducing costs.

The situation in the seamless stainless steel tube market is still complex and is affected by multiple factors, such as the dumping practices of Chinese tube manufacturers in their European exports. Consolidated sales in the first nine months of the year amounted to 264.58 million euros.

The increase in oil prices - currently over 80 dollars - and in the price of stainless steel raw materials allow a gradual improvement forecast for TUBACEX's results. Moreover, other elements supporting this goal include the improvement in profitability ratios (coming from the increase in volumes and improvements in both product mix and prices), the entry of TUBACEX in the market for high added value products, especially regarding OCTG tubes and boilers under the strategic alliance with Vallourec & Mannesmann, the recent deployment of a plant for umbilical tubes (offshore) manufacturing in Austria and the continuous development of new action plans focused on strengthening the competitive position of the company. Such action plans will be mainly focused on TTI, the business unit most affected by the difficult market situation undergone during the last two years.

#### EVOLUTION OF CONSOLIDATED RESULTS FROM JANUARY TO SEPTEMBER

	3 <sup>rd</sup> Q 2010 Jul-Sept	2 <sup>nd</sup> Q 2010 Apr-Jun	1 <sup>st</sup> Q 2010 Jan-Mar	Accumulated Sept. 2010	Accumulated Sept. 2009
Sales	91.48	100.59	72.52	264.58	303.43
Gross operating profit (EBITDA)	5.71	4.96	-4.42	6.25	0.35
Operating profit (EBIT)	1.93	0.18	-9.25	-7.14	-12.90
Net profit	0.66	0.43	-9.31	-8.22	-15.74

Figures in millions of euros.