



Results for the 1st quarter of 2014



EBITDA up 15.1%, reaching 16.54 million Euros

TUBACEX INCREASES PROFIT BEFORE TAX BY 45.1% IN THE FIRST QUARTER

EBITDA on sales stands at 11.8%, above the expected strategic target for the entire year

Llodio, 14 May 2014).- TUBACEX, the second global manufacturer of seamless stainless steel tubes, obtained a profit before tax of 7.62 million Euros in the first quarter of 2014, representing an increase of 45.1% as compared to that for 2013, according to the information sent by the company to the Spanish Securities Exchange Commission (CNMV). Consolidated net profit amounted to 5.64 million Euros, a figure which represents an increase of 59.8% on the previous year.

The value of consolidated sales has reached 140.32 million Euros, a slight decrease with respect to 2013, as a result of the fall in raw material prices, especially nickel, leading to a decrease in the alloy surcharge applied to tube prices. If nickel price had remained steady, during the first quarter of 2014 the figures would have increased with respect to those registered in 2013.

The gross operating profit (EBITDA) has grown by 15.1%, reaching 16.54 million Euros, contrasting with the 14.37 million Euros recorded for the first quarter of 2013. This growth is due to the improvement in the product mix and the operational excellence programs implemented by the company. EBITDA on sales stands at 11.8%, above the expected strategic target of 10% set for the entire year.

Net Financial Debt decreased in the quarter by 17.88 million Euros and stands at 176.71 million Euros; therefore the Net Financial Debt over EBITDA stands at 3.3 times EBITDA (5.1 times in March 2013), moving closer to the strategic goal of reducing debt to 3 times EBITDA in 2014.

TUBACEX CEO, Jesús Esmorís, pointed out that the improvement in performance and margins during the first quarter has been achieved in a still unfavorable market environment, where "weak signs of economic recovery are starting to appear" and in which "maintaining low commodity prices has resulted in continuous signs of weakness in the distribution market demand". However, he added that "during these past weeks this trend has changed and the prices of raw materials have started to improve".

TUBACEX expects to improve its performance in 2014, based on the efforts being made in the improvement of the product portfolio to become a benchmark supplier in services and solutions for the oil and gas industry, their operational excellence and financial soundness.

EVOLUTION OF CONSOLIDATED RESULTS IN THE 1ST QUARTER

	2014	2013	2012	% 2014/2013
SALES	140.32	145.51	135.17	-3.6%
RESULTS GROSS OPERATING PROFIT (EBITDA)	16.54	14.37	10.37	+15.1%
EBITDA OVER SALES MARGIN (%)	11.8%	9.9%	7.7%	+19.4%
OPERATING PROFIT (EBIT)	10.86	9.02	4.96	+20.4%
PROFIT BEFORE TAX	7.62	5.25	2.13	+45.1%
NET PROFIT	5.64	3.53	1.00	+59.8%
NET FINANCIAL DEBT / EBITDA (Times)	3.3	5.1	10.2	n.a.

Figures in millions of Euros. n.a.: not applicable