

## Results January - September 2013



Sales amounted to 412 million euros, showing a growth of 4.4%.

## TUBACEX INCREASES PROFITS BY 26.5% BETWEEN JANUARY AND SEPTEMBER

**- Net financial debt was reduced by 61.10 million euros during the first three quarters of the year.**

**(Llodio, 5 November 2013).**- TUBACEX, the second global manufacturer of seamless stainless steel tubes, obtained consolidated net profits of 11.85 million Euros between January and September 2013, representing an increase of 26.5% with respect to the same period in 2012, according to the information sent by the company to the Spanish Securities Exchange Commission (CNMV).

The Group's consolidated sales stood, during the first three quarters, at 411.97 million euros, which shows a 4.4% increase in comparison with the 394.79 million euros registered in 2012. Good sales performance of high value-added products, especially for exploration and production of oil and gas, must be highlighted.

The gross operating profit (EBITDA) in January-September amounted to 38.64 million euros, representing a slight decrease of 0.6% compared to that achieved in the first three quarters of 2012.

The results have been adversely affected by the lower production activity of the extrusion

press in TTI Llodio during this quarter by carrying out planned investment to increase the power of the press in order to adapt to the high value-added products manufactured by the company.

This factor has added to the unfavorable market situation for raw steel materials, with significant declines in prices, particularly in the case of nickel whose negative performance during the entire year has been intensified in the third quarter with a price drop of 18% compared to the beginning of the year.

Furthermore, the company's efforts to reduce working capital have enabled net financial debt to be reduced by 61.13 million euros, going from the 262.30 million euros at the close of 2012 to 201.17 million at the end of September. The ratio of net financial debt over EBITDA is 4.4 times, compared to 5.7 times at the close of 2012, hence making progress in one of the company's strategic objectives, which aims to place financial debt 3 times below EBITDA in 2014.

### Comments by Jesús Esmorís

The CEO of TUBACEX, Jesus Esmorís, indicated that the third quarter was atypical in that the company "has had to address several facts that have adversely affected results" such as the production shut-down for several weeks of the TTI press in Llodio due to scheduled investment, which has resulted in low production levels, as well, the downward trend in prices of raw materials has sharpened in recent months".

Esmorís adds "These two factors, tied to the accounting effect of the significant inventory reduction carried out by TUBACEX, resulted in profit as well as margin being significantly reduced in the third quarter".

The CEO of the company stated that "2013 is still exceptional in terms of cash generation, with over 60 million euros of cash flow

generated through September, in a year in which we have made investments in the amount of 25 million euros and in which we have begun to pay dividends again".

### Interim dividend payment 11 November

Moreover, TUBACEX will pay shareholders on Monday, November 11, an interim dividend 2013 in the gross amount of 0.0231 euros per share, in accordance with the decision by the company's Board of Directors.

The total amount of this interim dividend is 3 million euros. TUBACEX paid two dividends in April and June, charged to 2012 yearly revenue, for an aggregate amount of 0.0274 euros per share.

### EVOLUTION OF CONSOLIDATED RESULTS FROM JANUARY TO SEPTEMBER

	2013	2012	2011	% 2013/2012
<b>SALES</b>	411.97	394.79	364.57	+4.4%
<b>RESULTS GROSS OPERATING PROFIT (EBITDA)</b>	38.64	38.89	23.70	-0.6%
<b>EBITDA OVER SALES MARGIN (%)</b>	9.4%	9.9%	6.5%	-5.0%
<b>OPERATING PROFIT (EBIT)</b>	24.14	24.57	8.47	-1.8%
<b>NET PROFIT</b>	11.85	9.37	2.61	+26.5%

Figures in millions of euros.