



## Strategic Plan



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

## TUBACEX ACQUIRES THE ITALIAN COMPANY, IBF

- It has taken over 65% of its share capital with a call option for the remaining 35%
- IBF has industrial plants in the north of Italy and a *joint venture* in China
- TUBACEX takes a step further in its strategic goal of becoming a global tubular solutions provider

**Llodio, 31st October 2014.**- TUBACEX, the world's second largest manufacturer of seamless stainless steel tubes, has notified the Spanish Securities Exchange Commission (CNMV) today of its acquisition of the Italian company, IBF S.p.A.. A Letter of Intent had been signed between the parties last July.

As a result of this agreement, which was signed in Milan this morning, TUBACEX has acquired 65% of the shares in IBF and maintains a call option for the remaining 35%. The closing of the transaction is expected to occur during the first days of January 2015.

The acquisition enables TUBACEX to take a step further in its strategic goal of becoming a global tubular solutions provider.

The operation falls within the framework of the growth strategy set out in the TUBACEX Strategic Plan and will enable the company to complement its product range, advance in the value chain, increase its presence in the oil and gas and power generation sectors and increase its presence in the Asian market, among other aspects.

With the acquisition of IBF, TUBACEX has become the only seamless stainless steel tube manufacturer capable of offering the full range of dimensions, as well as entering, with a leading position, into the pipe accessories (fittings, elbows, tees, caps, etc.) market. This strengthens its competitive position by being able to offer both tubes and fittings.



Following the signing, Jesús Esmorís, CEO of TUBACEX, has stated that "IBF fits perfectly into our strategy, enabling us to improve our commercial position, extend our product range and strengthen our approach as a supplier of tubular solutions".

### **Benchmark supplier for the oil and power generation sectors**

IBF, founded in 1979, is a leading manufacturer of high alloy stainless steel tubes and special fittings, which are larger and thicker than those currently produced by TUBACEX.

The Italian company is a reputed global supplier of customized tube solutions for the leading companies in oil and gas extraction (sub-sea, top-side and on-shore), power generation (conventional and nuclear), as well as for the petrochemical industry and LNG.

The new company of the TUBACEX Group has industrial plants in Vittuone (pipes) and San Nicolò (fittings and special components), both in the north of Italy. Its workforce amounts to around 300 people and its sales above €135 million in 2013.

IBF also holds a 29.3% stake in the Chinese company, JSI Ltd, a joint venture set up with two local companies. JSI manufactures thick walled piping components and fittings in China for the Chinese nuclear market, which offers growth opportunities in the future.

IBF has a strong commercial presence in Asia, being the main destination of its sales. Therefore, 53% of its revenues in 2013 were made in Asia, 29% in Europe and 17% in North America.

### **About TUBACEX**

TUBACEX is a multinational group with headquarters in Alava (Spain), dedicated to manufacturing stainless steel and high-alloy tubes and is the world's second largest manufacturer. It has production plants in Spain, Austria and the United States, services subsidiaries in Brazil, France and Houston, as well as subsidiaries and sales offices in fourteen countries.

The main sectors demanding the tubes manufactured by TUBACEX are the oil and gas, petrochemical and power generation industries, which account for over 90% of the Group's sales. The remaining 10% is aimed mainly at the mechanical and aerospace industry, among other sectors of activity.

In 2013, the company recorded sales amounting to 554.15 million Euros. Over 90% of the Group's sales are done abroad.

Its staff is approximately 2,000 people from twenty different nationalities and scattered throughout fifteen countries. Over 40% of the Group's staff is abroad.

TUBACEX has been listed on the Spanish Stock Market since 1970 and forms part of the "IBEX MEDIUM CAP" Index.