

PRESS RELEASE

SHAREHOLDERS ANNUAL GENERAL MEETING 2014

TUBACEX IS WELL PREPARED TO FACE THE OIL CRISIS

The company approves a supplementary dividend of €0.0501 gross per share, payable in July. This payment, in addition to the dividend paid in January, implies a pay-out of 40%.

TUBACEX has invested almost 25 million Euros in 2014.

The AGM ratified the appointment of a Board Member at the request of Corporación Aristrain and approved the appointment of three new independent Board Members.

Llodio, May 27, 2015.- Although TUBACEX foresees a challenging environment for 2015, progress made during the past two years enable the Company to maintain reasonably good results, as CEO Jesús Esmorís stated in the Shareholders' Annual General Meeting held today at the company headquarters in Llodio (Alava).

The results obtained in the first quarter of 2015 show the progress made by the Group since the launching of its new Strategic Plan, despite an adverse environment and a significant reduction in demand which have defined the start of the financial year. It is worth highlighting that these are the first results since IBF integration in the Group's perimeter and thanks to this successful integration, TUBACEX has today presented growth results compared to those achieved in the first quarter of 2014.

Sales increased by 13.9% to the tune of 159.8 million Euros; EBITDA grew 5.7% up to 17.5 million Euros with an EBITDA margin of 10.9% and an EBT amounting to 9.4 million Euros which is 22.8% higher than that of the first quarter of 2014.

Moreover, TUBACEX continued to control working capital while maintaining a healthy financial situation. Proof of this financial strength is that the Company has been able to maintain its Net Financial Debt over EBITDA at 2.5x, below its strategic target 3x, even when the investment related to IBF acquisition came in a low result timing,

Jesús Esmorís indicated that he expects the market environment to remain in a similar situation throughout the year, with short visibility in the projects market, as a result of low oil price and increasing competition in the rest of the markets. To address this situation, TUBACEX launched an action plan including measures such as production adjustment, a fixed cost reduction plan and industrial plan acceleration, amongst others. Nevertheless, the CEO also emphasized that as the sector fundamentals are intact in the medium term, he is fully behind the strategy of becoming a leading supplier of solutions for the Oil&Gas sectors and highlighted the Group commitment to fully comply with the Strategic Plan.

SHAREHOLDERS' MEETING AGREEMENTS

The Shareholders' Annual General Meeting agreed today to approve a supplementary dividend for a total amount of €0.0501 gross per share, payable in July, and ratified the interim dividend that was paid in January 2015, which amounted to €0.0231 gross per share. The total dividend is €0.0732 gross per share, with a total payment of 9.5 million Euros, which represents a total payout of 40% over the net profit of the year 2014 and 58% higher than the dividend paid in the previous financial year.

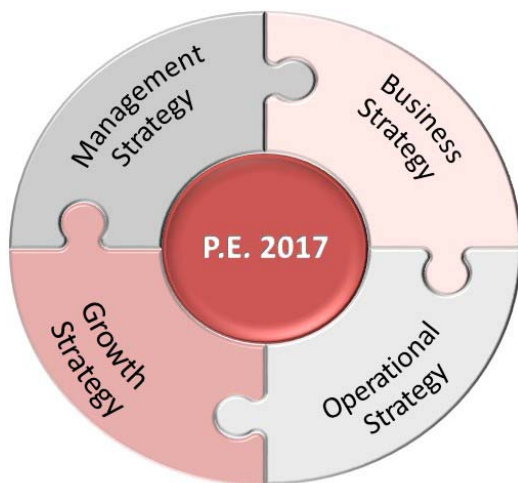
Regarding the Board composition, the AGM ratified the appointment of Manuel Moreu Munaiz as new board member in representation of shareholder Corporación Aristrain who will therefore act as proprietary director; on the other hand the AGM also approved the re-appointment of Juan Antonio Garteizgogeoasca, Antonio González-Adalid and Consuelo Crespo. In addition, the AGM appointed three new independent directors: Nuria López de Gereñu, Antonio Pradera and José Domingo Ampuero.

STRATEGIC PLAN

Jesús Esmorís, CEO of TUBACEX, outlined the successful completion of the First Phase of the Strategic Plan, oriented to cashflow generation during 2014 financial year. All goals set for this stage were achieved and most of them exceeded. For this reason, TUBACEX announced in June that it was bringing forward Phase 2, which is focused on growth.

	STARTING POINT	GOAL	FULFILLMENT	GOAL	FULFILLMENT	GOAL
	FY 2012	Cash Generation Phase I 2013-2014	FY 2014	Growth Phase II 2015-2016	Q1 2015	Consolidation Phase III 2017...
Product Mix	27%	30% Premium Products vs. 70% Traditional	36.2%	40% Premium Products vs. 60% Traditional	39%	50% Premium Products vs. 50% Traditional
Sales Growth	n.a.	>15%	+15.0% ¹	> 15%	+13.9%	> 10%
EBITDA Margin	8.6%	10%	11.7%	12%	10.9%	15%
Net Debt / EBITDA	5.7x	< 3x	2.4x	2 - 3x	2.5x	2 - 3x
RoCE	5.2%	10%	10.0%	12%	8.3%	15%
Working Capital / Sales	55.3%	45%	37.0%	40%	38.2%	35%

In 2014 management was focused on four pillars. During the financial year, TUBACEX worked further on its business strategy aimed at gradually increasing the weight of Premium products for the project market (OCGT, umbilical tubes, high nickel alloys, precision tubes, supercritical boilers, tubing for urea, etc.).



On the other hand, the company has gone in-depth on its industrial strategy and new management model, both supported by excellence and continuous improvement as major pillars.

The Growth Phase anticipation in June 2014 led to the inclusion of the new growth axis which materialized in the Italian company IBF acquisition and the agreement entered into with Prakash Steelage among other operations.

GROWTH STRATEGY









The purpose of TUBACEX Growth Strategy launched in June 2014, is to position the Company as a leading supplier of tubing solutions in the energy sector.

Within this strategic priority framework, TUBACEX acquired the Italian company IBF. This acquisition became effective in January 2015 and has contributed to supplementing the Group range of products allowing the combined offer of special tubes and fittings and extend the dimensional range of products manufactured.

In the same way, TUBACEX announced in February 2015 the closure of an agreement to acquire the seamless stainless steel tube division of the Indian company Prakash Steelage. With this operation, TUBACEX reinforces its position in the highest expected growth markets (Asia) and improve competitiveness in certain products.

As well as inorganic growth, TUBACEX is also committed to organic growth. Accordingly TUBACEX Services, a Greenfield project located in Cantabria to develop the global offer idea and add new services for customers, was launched. Moreover, all the Group service centers were brought together under the umbrella of TUBACEX Service Solutions (TSS).

Thanks to these operations TUBACEX has become the first seamless stainless steel tube manufacturer in the world, offering the widest range in the market.

  <ul style="list-style-type: none">• Reinforced competitive position• Combined offer of tubes and fittings• Manufacturer offering a wider dimensional range• Plants in Italy and China	  <ul style="list-style-type: none">• Greenfield Project in Cantabria• Offering value-added services
  <ul style="list-style-type: none">• Reinforcing our positioning in rapid growth markets• Recovering competitiveness in Plant in India	  <ul style="list-style-type: none">• Master Distributor• Consolidation of all the Group service centers into a unit oriented to production optimization and the sale of standard products

2014 FINANCIAL YEAR

The 2014 FY annual accounts were approved today at the AGM, the CEO stated that the company obtained an EBITDA of 64.13 million Euros (+25.1%) with an EBITDA margin of 11.7% and a net profit of 23.76 million Euros (+58.3%), although the financial year has unfolded in an environment characterized by macro economic uncertainties and a sharp drop in the oil prices during the second semester.

Other FY highlights included the working capital control policy being maintained which allowed a working capital reduction of 15.2 million Euros and a net debt reduction of 43.1 million Euros to achieve the figure of 194.6 million Euros.

CAPITAL EXPENDITURE OF 23.90 MILLION EUROS

TUBACEX invested 23.90 million Euros in technical facilities and equipment in 2014. The most significant investments during the year were a continuation of those commenced in previous years, which seek to reinforce the strategic development of production capacity in those segments requiring a higher level of expertise and added value within the oil, gas and power generation sectors.

From 2010 to 2014, the company has invested 170.49 million Euros, mainly in strategic development. It is important to highlight that a large percentage of this investment has been made in the midst of the global economic crisis, which shows the company's financial capacity. This



ongoing investment policy is enabling the company to continue to undertake strategic investments (high value-added and technologically advanced products), and to maintain and renew its facilities, all of which is focused on the improvement of costs, productivity and quality, contributing towards operational excellence, one of the pillars of the Strategic Plan 2013-2017.

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he most significant investments throughout the year are those deriving from the Group's positioning strategy in higher added value products and which are necessary to ensure quality in this type of products and to improve the effectiveness of these product lines.

An investment project has been developed at the Austrian subsidiary, SBER, to extend the welding capacity of the umbilical tube production facilities, given the positive outlook for this product. On the other hand, the American subsidiary Salem Tube is implementing a wide investment plan to improve its industrial facilities, including the new industrial finishing building and the new quality testing laboratory.



Also in 2014, a special shotpeening facility which is a special technology for surface treatment and aims to increase the resistance of materials subject to high temperatures, was commissioned at the Tubacex Services plant in Cantabria,

DATA RELATED TO CONSOLIDATED TUBACEX GROUP

	2012	2013	2014	% Var. 12-14
Sales	532.42	554.15	546.65	+2.7%
Gross Operating Profit (EBITDA)	45.78	51.26	64.13	+40.1%
EBITDA / Sales (%)	8.60	9.25	11.73	+36.4%
Operating Profit (EBIT)	26.55	31.52	43.66	+64.4%
Net profit	11.86	15.01	23.76	+100.3%
Equity ⁽¹⁾	251.48	259.85	282.17	+12.2%
Net Financial Debt	262.30	194.58	151.50	-42.2%
Net financial debt / EBITDA (Times)	5.7	3.8	2.4	n.a.
Working Capital	294.12	217.59	202.40	-31.2%
Market Capitalization	263.96	384.31	412.23	+56.2%
Trading volume in the Stock Market ⁽²⁾	42.08	108.06	162.05	+285.1%
Average Number of Employees	1,852	1,947	1,927	+4.0%
Employees in Spain	1,047	1,110	1,083	+3.4%
Employees abroad	805	837	844	+4.8%

Figures in Millions of Euros (1) Attributed to holders of net equity instruments of the parent company. (2) Millions of shares traded. n.a.: not applicable.