

## TUBACEX HAS MADE INVESTMENTS AMOUNTING TO 52.30 MILLION EUROS IN 2010

Throughout 2010, TUBACEX has deployed investments in technical facilities and machinery amounting to 52.30 million euros, which were destined to the development of production capacity in those segments requiring a higher level of expertise and added value within the oil, gas and energy industries; such as the exploration and extraction of oil and gas in extreme conditions (offshore and deep water extraction), energy generation in state-of-the-art plants and nuclear power. This figure is the highest in the company's history.

In the 2000-2010 period, the TUBACEX Group invested a total of 196.82 million euros in extending and improving its factory facilities. Between 2007 and 2010 the investments, basically linked to the implementation of the Strategic Plan, have amounted to 113.37 million euros, almost 30 million euros per annum.

Among the 2010 investments we must highlight the completion of the construction of a new facility in the Group's plant located in Ternitz (Austria) for manufacturing umbilical offshore tubes, a product intended for supporting activities in the exploration and extraction of oil and gas in critical conditions of pressure, temperature and corrosion. This new plant, that began its construction in 2008, is now fully operational and has become the international technical

benchmark for this type of facilities. The plant has overcome complex product certification and validation requirements and will begin supplying the markets in 2011.

Umbilical offshore tubes are used for controlling equipment on the seabed and for the injection of fluids or corrosion inhibitors. It is an extremely long welded product that is supplied in coils. Requirements of performance, quality and cleanliness are extreme in this product. TUBACEX fully relies on a very positive evolution of the demand for this product in the upcoming years as a consequence of the increasing trend to extract oil in deeper and more corrosive environments.

These facilities will supplement the previous investment in a cold rolling mill for high-value products for the TTI factory in Amurrio, which specializes in tubes for drilling and pumping oil and gas (OCTG, Oil Country Tubular Goods) in special alloys. With this new investment, TUBACEX has increased its cold tube product portfolio, including large OCTG tubes.

To supplement this new product line, TUBACEX has developed improvements during 2010 in the finishing area of the TTI factory in Llodio. Additionally, the company has added two new ultrasound control machines in these facilities to improve quality assurance of the products.



TUBACEX

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## ENVIRONMENT

### TUBACEX HAS INVESTED 31.55 MILLION EUROS BETWEEN 2006 AND 2010 IN ENVIRONMENTAL CARE

TUBACEX has devoted investments and expenses to the environment, which have amounted to 31.55 million euros from 2006 to 2010, representing an annual average of 6.31 million euros. Of this amount, 22.31 million are investments in environmental equipment and 9.24 million have been earmarked for environmental management costs.

In going about its business activities, one of TUBACEX's main strategies is to protect the environment. With this in mind, the Group is gradually introducing a system in each of its business units that minimizes the environmental impact of its activities (waste, atmosphere, water, noise, energy, etc.). It hopes to achieve this by using clean, economically viable technologies and by implementing the necessary measures to prevent polluting activities, including emergency ones.

The subsidiaries; Tubacex Tubos Inoxidables (2001), Acería de Álava (2002), Schoeller-Bleckmann Edelstahlrohr (2008) and Salem Tube (2008) currently have Environmental Management Systems in compliance with the ISO 14001 certification issued by an

approved standardization and certification organization. Thus, the entire production process at the TUBACEX Group's Llodio, Amurrio, Ternitz (Austria) and Greenville (USA) plants, from the reception of raw materials and the production of stainless steel to the shipment of finished manufactured tubes, has now been approved by an environmental management accreditation body.

In order to obtain these certificates it has been necessary to systematize environmental-related activities, with the active involvement of the workforce, which has required an extensive training program in recent years.

During 2010, investments have been made in environmental equipment amounting to approximately 1.94 million euros and we have spent 1.45 million euros in environmental-related costs, intended largely to reduce and control emissions, improve the recovery of scrap, optimize and waste management and recovery, waste minimization, reduction of the power and water consumption as well as advisory services and independent professional audits, among others.

### EVOLUTION OF ENVIRONMENTAL INVESTMENTS

	2010	2009	2008	2007	2006
Investments in environmental equipment	1.94	2.89	4.03	6.80	6.65
Investments in environmental management	1.45	1.89	2.98	1.53	1.39
<b>Total</b>	<b>3.39</b>	<b>4.78</b>	<b>7.01</b>	<b>8.33</b>	<b>8.04</b>

Figures in millions of euros.



TUBACEX

# INFORMATION to SHAREHOLDERS

N.º 55 - First quarter 2011

## RESULTS

### TUBACEX ACHIEVES 2.80 MILLION EUROS NET PROFIT IN THE FIRST QUARTER

TUBACEX has recorded a consolidated net profit of 2.80 million euros between January and March 2011, compared to the losses that amounted to 9.31 million euros during the same period of 2010, according to the information registered at the Spanish Securities Exchange Commission (CNMV).

The gross operating profit (EBITDA) from January to March reached 12.06 million euros. During the first quarter of 2010, the gross operating profit was negative by 4.42 million euros.

The first trimester of 2011 is the fourth consecutive period to register positive net profit, thus consolidating the recovery of the company's profitability levels, situating the EBITDA/Sales ratio above 10%.

The first quarter's consolidated sales have reached 119.56 million euros, compared to 72.52 million euros recorded in the same period of 2010. Despite this increase of activity, the Group has managed to maintain its net debt levels at 225 million euros, virtually the same as at the end of the year 2010.

TUBACEX positively values these results, which reflect the recovery



of the market and other operational improvements in the Group's key operating units.

TUBACEX hopes to consolidate and improve these current results throughout 2011. Therefore, the development of the company's Competitiveness Plan, the investments made in the previous years in high value-added products and the alliance with Vallourec&Mannesmann will be key to achieving this goal.

### EVOLUTION OF CONSOLIDATED RESULTS FROM JANUARY TO MARCH

	Q1 2011	Q1 2010	%2011/2010
Sales	119.56	72.52	+64.9%
Gross Operating Profit (EBITDA)	12.06	-4.42	n.a.
Operating Profit (EBIT)	6.49	-9.25	n.a.
<b>Net Profit</b>	<b>2.80</b>	<b>-9.31</b>	<b>n.a.</b>

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

## CONSOLIDATED BALANCE SHEET

	31/03/2011	%	31/12/2010	%
<b>ASSETS</b>				
<b>Non-current assets</b>	<b>238,735</b>	<b>39.1%</b>	<b>239,979</b>	<b>40.9%</b>
Tangible Assets	158,315	25.9%	159,736	27.2%
Financial and other assets	2,751	0.5%	2,585	0.4%
Intangible assets	35,252	5.8%	35,371	6.0%
Deferred tax assets	42,417	6.9%	42,287	7.2%
<b>Current assets</b>	<b>371,597</b>	<b>60.9%</b>	<b>346,910</b>	<b>59.1%</b>
Cash and cash equivalents	15,772	2.6%	23,404	4.0%
Other current assets	355,825	58.3%	323,506	55.1%
<b>TOTAL</b>	<b>610,332</b>	<b>100.0%</b>	<b>586,889</b>	<b>100.0%</b>
<b>LIABILITIES</b>				
<b>Equity</b>	<b>238,419</b>	<b>39.1%</b>	<b>237,715</b>	<b>40.5%</b>
Share capital	59,840	9.8%	59,840	10.2%
Reserve funds	175,776	28.8%	184,420	31.4%
Year end results	2,803	0.5%	(6,545)	-1.1%
<b>Provisions and employee benefits</b>	<b>21,472</b>	<b>3.5%</b>	<b>21,969</b>	<b>3.7%</b>
<b>Long-term debt</b>	<b>50,732</b>	<b>8.3%</b>	<b>49,917</b>	<b>8.5%</b>
<b>Short-term debt</b>	<b>299,709</b>	<b>49.1%</b>	<b>277,288</b>	<b>47.2%</b>
<b>TOTAL</b>	<b>610,332</b>	<b>100.0%</b>	<b>586,889</b>	<b>100.0%</b>

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

	From 01/01/11 to 31/03/11	From 01/01/10 to 31/03/10	11/10 (%)
<b>Net sales</b>	119,561	72,520	64.9%
<b>Total turnover</b>	8,591	5,785	48.5%
Increase in stocks	120,812	73,384	64.6%
Cost of goods sold	(72,638)	(44,475)	63.3%
Operating expenses	(44,704)	(39,113)	14.3%
<b>EBITDA</b>	12,061	(4,419)	n.a.
Depreciation	(5,573)	(4,835)	15.3%
Net financial result	(2,213)	(1,260)	75.6%
<b>Profit (before taxes)</b>	4,275	(10,514)	n.a.
Taxes and minority interests	(1,472)	1,199	n.a.
<b>Net profit</b>	2,803	(9,315)	n.a.

Consolidated. Figures in thousands of euros. n.a.: not applicable

## STOCK MARKET

### TUBACEX SHARES APPRECIATED BY 17.3% DURING THE FIRST QUARTER OF 2011

The price of TUBACEX shares was appreciated by 17.3% during the first quarter of 2011; from €2.48 per share at the end of 2010 to €2.91 on the last day of trading at the end of March.

The highest price of the period was recorded during the February 15 session, when TUBACEX shares closed at €2.99 per share; whereas the lowest listing price was registered on January 10, when the value dropped to €2.36 per share.

From January to March 2011, 22.10 million TUBACEX shares were traded; this figure is 18.4% lower than the number of shares traded in 2010 during the same period, when this figure amounted to 27.09 million shares.

The number of TUBACEX shares traded in the first three quarters of the year accounts for 16.6% rotation of the company's share capital, which totals 132.98 million shares.

Moreover, effective trading during the first quarter rose to 60.19 million euros, a figure 21.7% lower than the volume traded in the previous year, when it reached 76.88 million euros.

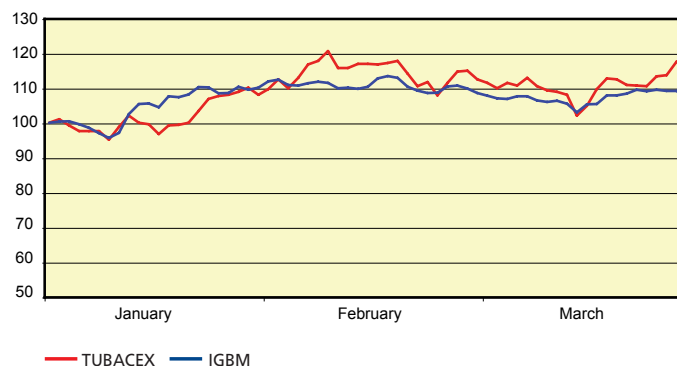
The company's market capitalization as of 31 March 2011 stood at 386.97 million euros, a figure that represents an increase of 17.3% with respect to the previous year end, when market cap rose to 329.79 million euros.

*\* From January to March 22.10 million shares were traded*

*\*Effective trading reached 60.19 million euros*

*\*In March, stock market capitalization amounted to 386.97 million euros*

### Quoted share price of TUBACEX compared with the IGBM



## SHAREHOLDERS

### TUBACEX WILL HOLD ITS SHAREHOLDERS' ANNUAL GENERAL MEETING ON 24 MAY

TUBACEX will hold its Shareholders' Annual General Meeting on 24 May, in its second summon, at the company's facilities, located at Barrio Gardea (Llodio, Álava).

The shareholders should approve the Annual Accounts and the Management Report for the year 2010, and the Corporate

Governance Report for the same period.

During the Meeting, the President of the company, Álvaro Videgain, will inform the shareholders about the development of the past financial year and the forecast of TUBACEX's performance in 2011.



## ANALYSTS

### REPORTS OF TUBACEX RELEASED BY ANALYSTS IN 2011 (JAN-MAR)

Analyst	Month	Recommendation	Target price (1)
Nmas 1	January	Hold	2.80
La Caixa	January	Buy	3.10
BPI	January	Buy	3.20
Fidentiis	February	Sell	2.25
Banesto	March	Buy	4.70

(1) Euros per Share.