ANNUAL AND FOURTH QUARTER RESULTS FOR 2015

Amurrio, 29 February 2016 –

The results of Tubos Reunidos in the final quarter of 2015 have again been affected by the scarce investment activity in the oil and gas sector, mainly in North America, in response to the continuous decline in the oil price. This severe fall in demand has led to a reduction in the sales and margins of the Group, as result of lower use of production capacity.

In this context, the reduction in prices of OCTG products in North America, the only market and product where Tubos Reunidos holds stocks to meet the demands of its clients, has demanded the endowment of an extraordinary provision due to impairment of the realizable value for the amount of 7.9 million euros before taxes for the entire year.

The net turnover for the year 2015 stands at 352.5 million euros, with EBITDA, before the extraordinary provision indicated, of 19.8 million euros, sums representing a decline of 13.6% and 52.2%, respectively, over the preceding financial year.

Despite this unfavourable market environment, Tubos Reunidos maintains its robust financial solidity and continues carrying out a detailed plan of actions directed at countering the effects of the fall in demand, reinforcing competitiveness and improving its commercial positioning:

- **Progress on the cost cutting and competitiveness plan** whose purpose is to raise efficiency and reduce the cost base structurally. The forecast is to achieve a reduction in costs of 13 million euros in 2016, compared with 2015.

- **Reduction in the debt of the Group in the financial year 2015** and maintenance of the focus on generating cash flow and strict optimisation of the working capital.

- **Strategic commitment to Premium products**, with the addition of putting the new joint plant with partner Marubeni-Itochu Steel Inc. into production in the first half-year of 2016, which will allow us to reinforce our presence in new geographical markets and target segments.

Key figures for the fourth quarter and the entire financial year 2015

Consolidated ('000 EUR)	Q4 2015	Q4 2014	% var	FY 2015	FY 2014	% var
Revenue	76.808	108.064	(28,9%)	352.478	407.952	(13,6%)
EBITDA *	270	10.287	(97,4%)	19.773	41.373	(52,2%)
% o. sales	0,4%	9,5%		5,6%	10,1%	
EBIT	(8.893)	3.744	(337,5%)	(16.365)	15.012	(209,0%)
Profit for the period	(7.701)	2.000	(485,1%)	(16.188)	7.079	(328,7%)
Adjusted profit for the period*	(6.277)	2.000	(413,8%)	(10.492)	7.079	(248,2%)

Note *: Excludes impact of the impairment accounted in 4Q 2015 of the Group's stock in the US for a value of 1.978 ('000 Euros) before taxes. 7.911 ('000 Euros) in FY 2015.

Significant events of the period and analysis of results

1.- Levels of activity marked by the effects of the sharp decline in the oil price.

Over the whole year, the price of Brent crude has fallen 35.8%. The fall in the fourth quarter was 24.1%, with a cumulative decline of 68.6% from the levels of June 2014 when the decline started.

As a consequence, investment in the oil & gas sector at a global level has been reduced by about 35%, and most sharply in North America, with a reduction in the active perforation platforms of 62% (14% in 4Q over 3Q). Because of this, the demand for OCTG has fallen by around 32% over the world, and about 55% in North America, the principal market of the Group for this kind of piping.

The demand for energy generation and petrochemical projects has kept up a good pace of activity; nevertheless, competition has been stiff because of the lower demand for applications for the oil & gas sector.

Tubos Reunidos has increased its sales of large diameter piping and has maintained those of pressure piping of small diameter for special applications in the energy generation and petrochemical segments, thanks to the broadening of its range of products of high added value and the certification at new clients, improving the product mix, the sales of special piping making up 73.8% of total sales, compared with 65.3% in 2014.

The positive trends in sales destined for energy generation and petrochemicals, principally in the Middle East and South-East Asia, has not been sufficient to compensate for lower sales of OCTG and linepipes in North America, sales which represented 40.8% of the total of the Group in 2014 compared with 31% in 2015.

Overall, the sales of Tubos Reunidos have fallen by 13.6% in 2015 and by 28.9% in the fourth quarter, both with respect to the same period one year earlier (year-on-year).

2.- Adoption since 2015 of an action plan for cost savings and increased competitiveness, whose positive effects will be perceived to a greater extent during 2016 and subsequent financial years.

Measures have been executed and initiated, which will entail a reduction of costs in 2016 of 13 million euros over 2015 and attain lower recurrent costs of 15 million euros at EBITDA level in 2017 onwards. The measures include:

- Efficiency and productivity improvement programmes in all the operational and industrial processes.
- Acceleration of the learning curve for the new processes and products whose objectives are the reduction of wastage and reprocessing.
- Reduction and optimisation of the structure.
- Optimisation of procurement processes and renegotiation of all the elements of the supply chain.
- Redefinition of the internal and external logistical and transport processes.
- Implementation of a cost savings plan in all the lines of fixed and variable costs.

3.- New Organisational Structure.

Announced in the third quarter and implemented at the end of the financial year. The new organisational structure of Tubos Reunidos aims to optimise the overall commercial positioning of the Group, increase its offering of service and quality solutions and improve both competitiveness and efficiency in all the processes.

4.- Progress on the work for the opening of the new threading plant with Marubeni-Itochu Steel Inc. for it to start production in April 2016, and **other strategic measures of commercial development.**

The final details of putting the new plant for OCTG pipe threading, with the Premium threading licence from JFE Steel Corporation, are being put in place, advances having been made in certification at new clients and technical due diligence processes having had satisfactory outcomes. The new plant will have the most advanced technology and the vocation to be the most competitive of all those in its sector.

In parallel, supported by the new portfolio of special products and bespoke solutions for clients, and in collaboration with the partners of the Group, agreements with other operators in the market are currently being developed, as well as obtaining new certifications at target clients. Reinforcing the sales activity is ongoing, especially in the Middle East and South-East Asia in the energy generation and petrochemical sectors.

5.- The investment plan 2012-2016 concluded in 2015, with an amount during the financial year of 37,4 million euros.

Of this, 32,7 million euros was allocated to tangible and intangible fix assets for the seamless steel tubes business. Most of the investment was related to the construction of the new threading plant. Once the plan envisaged has finished, the need for new contracts of investment in 2016 and subsequent years will be reduced very significantly, and indeed principally to the needs for maintenance, in comparison with the amounts invested in recent years.

6.- Reduction of debt during the financial year and securing of additional funds, with sufficient available liquidity to meet the needs of the next years.

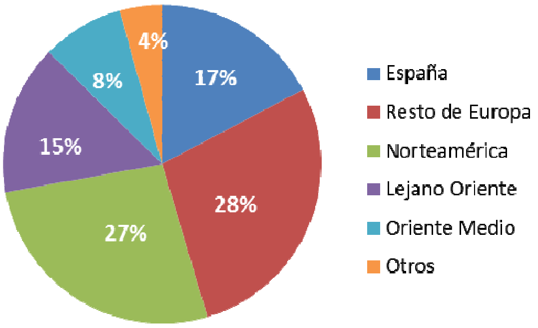
The net financial debt of Tubos Reunidos in December 2015 stands at 167.1 million euros, representing a reduction of 4.5 million euros over 2014, a reduction which is of particular relevance if the context of unfavourable market and significant investment undertaken linked to the strategic plan are taken into account, and which, to a great extent, correspond to the optimisation of working capital in the period.

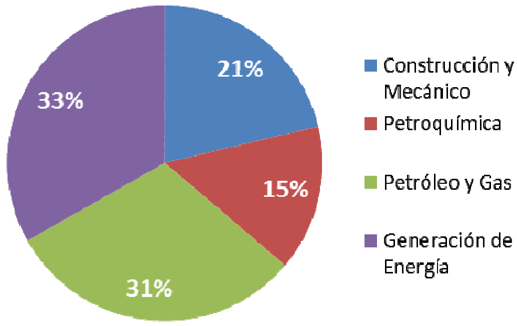
During the whole financial year, Tubos Reunidos has signed new loans, obtaining an increase in its liquidity, longer maturity periods for its debt and a reduction in the average cost of its bank financing.

In addition, in the fourth quarter of 2015, Tubos Reunidos formalised a programme to issue fixed income securities – *Euro Medium Term Note Programme (EMTN)* for a maximum amount of up to €50 million, which securities have been accepted for listing on the regulated market of the Irish Securities Market. The amount issued in the financial year 2015 stands at 15.5 million euros.

As the outcome of the operations to optimise the financing structure of the Group, financial costs overall in the financial year have fallen by 35% with respect to financial year 2014. At 31 December 2015, Tubos Reunidos is in a solid financial situation, with 79% of the gross debt maturing in more than one year and 57% of the same maturing in more than two years.

Market context and evolution of the activity of seamless piping by sectors and geographical areas





Sales of seamless piping in the energy generation, petrochemical, construction and mechanical sectors have remained stable overall during the financial year, despite a more competitive environment, principally sustained by the more highly specialised products. Nevertheless, the sales of the Group have fallen because of the fall in sales in the oil & gas sector, which declined 36.7% during the period.

By geographical areas, the sound sales performance in Spain and the Far East has mitigated the lower sales in North America as well as in the Middle East, where delays have taken place in adjudicating projects during the period.

Prospects

At the start of the year 2016, it is rather hard to see how the oil price will evolve in the short term and, at its current level, cutbacks in investment plans in the sector continue to impact the demand for seamless steel pipes.

Overall, the sluggish global macroeconomic environment, which slows down investment, the falling trend in prices of raw materials, which delays decisions about stock replenishment and the general price pressure in all markets, make up a weak market situation, which will continue to hobble the results during the first part of the year.

Despite this, the investment and intense technical-commercial activity undertaken in recent years are allowing new opportunities in the market for specialised products to be generated. Because of this, the new financial year 2016 opens, for Tubos Reunidos, with a broader portfolio of high added tubes already industrialised and with a large number of new certifications for clients in the energy generation and petrochemical segments. Likewise, the start of production at the new joint plant with Marubeni-Itochu Steel Inc. in April 2016 will allow access to projects in new OCTG markets for the Group, supported by the commercial and service network of our partners.

These factors, combined with the progressive decline of production in oil wells, which it will be necessary to replace, once the process of stock reduction in certain key markets concludes, and the results of our cost savings plans, allow us to anticipate a gradual improvement of our results as the year advances.

Historically, Tubos Reunidos has demonstrated its capacity to deal with situations of downward cycle. Because of this, even in the case that the market context might continue along the same lines, our financial strength and the plan of measures adopted -cost savings, protection of cash flow, working capital efficiency plans and lower investment- allow the Company to tackle the present with solvency and be even more ready for when the market recovers normality.

Consolidated Financial Statements

INCOME STATEMENT, Thousands of Euros	Q4 2015	Q4 2014	Q4 2015 / Q4 2014	FY 2015	FY 2014	FY 2015 / FY 2014
Revenue	**76.808**	**108.064**	*(29%)*	**352.478**	**407.952**	*(14%)*
Changes in inventory	3.234	14.559		(6.281)	18.993	
Supplies	(40.224)	(66.512)		(172.678)	(217.285)	
Personnel expenditure	(23.669)	(25.750)		(99.155)	(101.296)	
Other operating expenses	(21.312)	(27.236)		(77.712)	(86.254)	
Other operating income and net gains/(losses)	3.455	7.162		15.210	19.263	
EBITDA *	**270**	**10.287**	***(97%)***	**19.773**	**41.373**	***(52%)***
Impairment of inventory provision	(1.978)	-		(7.911)	-	
Depreciation and amortisation charge	(7.185)	(6.543)		(28.227)	(26.361)	
EBIT	**(8.893)**	**3.744**		**(16.365)**	**15.012**	
Financial income/(expense)	(603)	(2.674)		(5.635)	(8.827)	
Profit before income tax	**(9.496)**	**1.070**		**(22.000)**	**6.185**	
Profits tax	1.959	1.125		6.788	1.266	
Consolidated profit for the period	**(7.537)**	**2.195**		**(15.212)**	**7.451**	
Profit from minority interests	(164)	(195)		(976)	(372)	
Profit for the period	**(7.701)**	**2.000**	***(485%)***	**(16.188)**	**7.079**	***(329%)***
Adjusted profit for the period*	**(6.277)**	**2.000**		**(10.492)**	**7.079**	

Note *: Excludes impact of the impairment accounted in 4Q 2015 of the Group's stock in the US for a value of 1.978 ('000 Euros) before taxes. 7.911 ('000 Euros) in FY

BALANCE SHEET, Thousands of Euros	Q42015	Q4 2014
NON-CURRENT ASSETS	**438.720**	**417.639**
Inventories and customers	167.605	215.481
Cash and other cash equivalents	32.371	24.464
CURRENT ASSETS	**199.976**	**239.945**
Assets held for sale	3.120	4.599
TOTAL ASSETS	**641.815**	**662.183**
NET EQUITY	**244.175**	**260.936**
DEFERRED REVENUES	**15.094**	**12.469**
Non-current provisions	2.937	3.622
Bank borrowings and other financial liabilities	142.339	155.640
Fixed income securities	14.967	--
Other non-current liabilities	65.905	51.548
NON-CURRENT LIABILITIES	**226.148**	**210.810**
Short-term provisions	5.763	8.249
Bank borrowings and other financial liabilities	42.146	40.436
Other current liabilities	108.489	129.283
CURRENT LIABILITIES	**156.398**	**177.968**
Liabilities held for sale	--	--
TOTAL LIABILITIES	**641.815**	**662.183**

Net financial debt	**167.081**	**171.612**