



**TUBOS
REUNIDOS
GROUP**

Special Products & Integral Services Worldwide

**General
Meeting of
Shareholders**
June 2016

**Management
change
towards a new
Tubos Reunidos**



1. 2015 Results and 2016 Outlook
2. Management change management towards a new Tubos Reunidos
3. Stock market performance
4. Agreements proposal



**TUBOS
REUNIDOS
GROUP**

General Meeting of Shareholders

June 2016

Special Products & Integral Services Worldwide

1.

2015 Results and
2016 Outlook

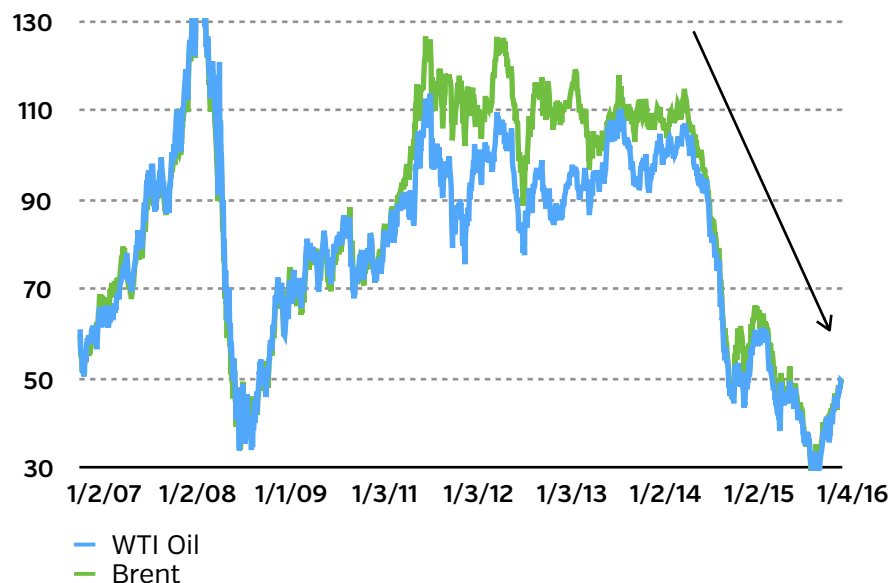


- **Our operations have developed in the context of the worst oil crisis of the last forty years.**
- **We have made efforts to adapt,** implementing a programme of economic and structural measures.
- **We have carried on making investments in our Strategic Plan** which form the basis of our future growth and profitability.
- **The marketing of our new product portfolio,** has allowed us to mitigate the effect of unfavourable circumstances.
- **Especially significant** was the progress in the work on our new plant **Marubeni Itochu Steel.**
- **Debt reduction has been a priority goal of our management,** as well as optimising working capital and strengthening our liquidity position.

2015: A year of severe crisis, impacted by the fall in oil prices

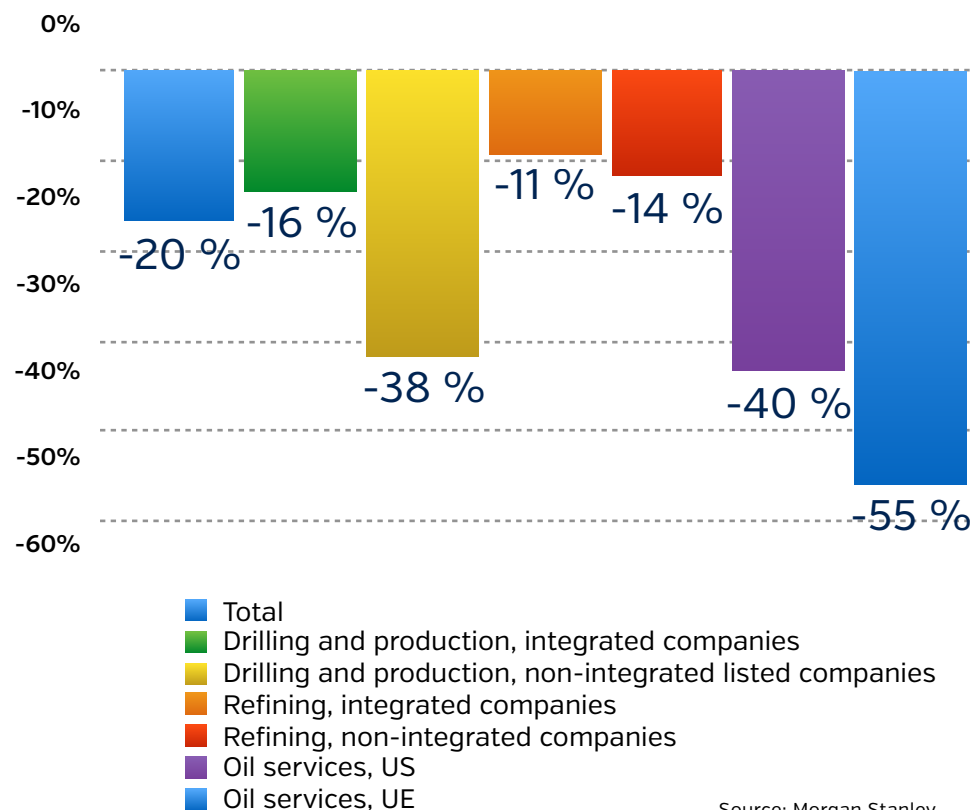


Oil price evolution [USD]



Source:
Bloomberg

Investments in oil and gas, growth in 2015



Source: Morgan Stanley,
Capital Goods, April 5 2016

Drastic global reduction in oil and gas investment

Reduction in oil and gas investment

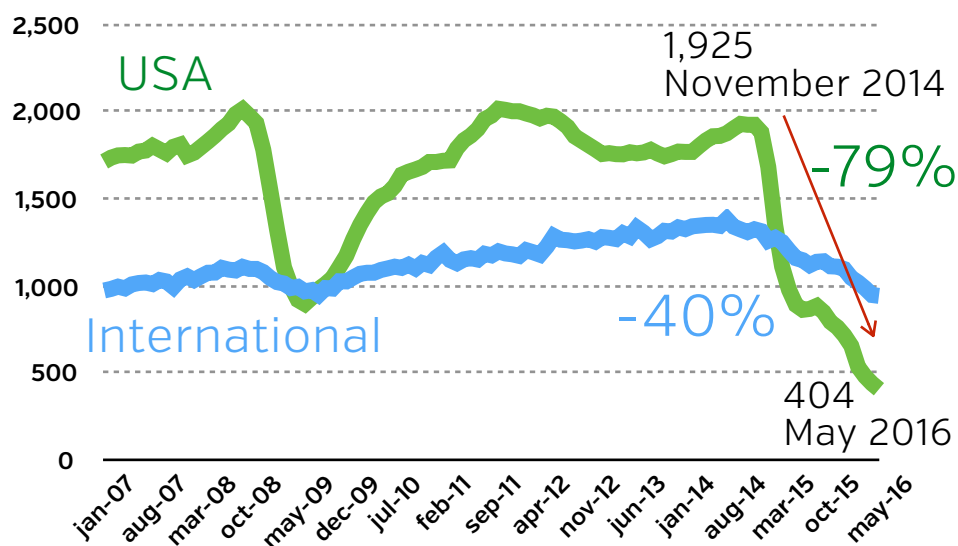
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1. 2015 RESULTS AND
2016 OUTLOOK



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Number of active wells

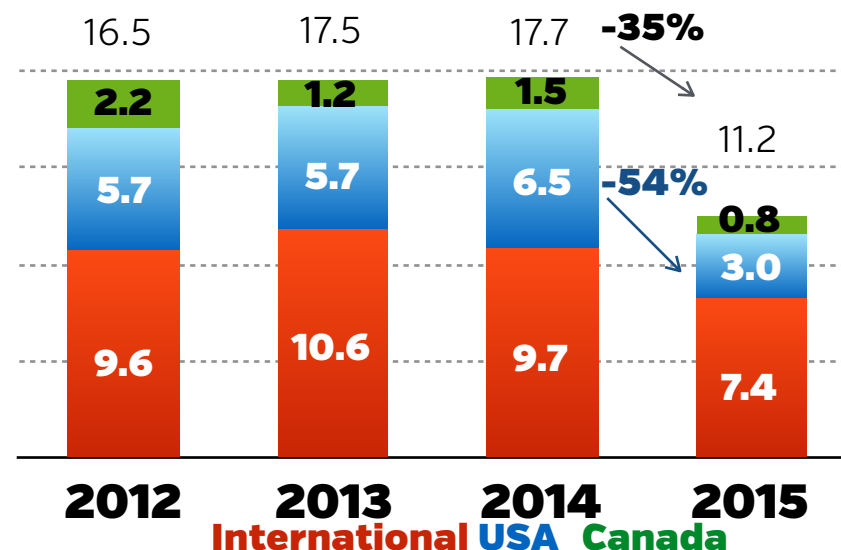


Source: Baker Hughes

- In the short term, the response to variations in the price of oil is higher in shale oil: more flexible, shorter-term return on investment, higher decline in production.

Global consumption of OCTG

Mill. TMs



Source: Tenaris

- Demand for OCTG (Oil Country Tubular Goods) has sustained heavy reductions, amplified by the reduction in distributor inventories.

The reaction has been more pronounced in North America and in OCTG demand

2015: New products portfolio

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2016 OUTLOOK



PREMIUM OCTG

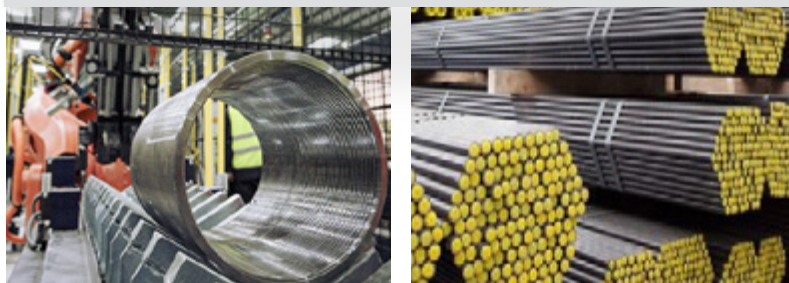
Special Pipelines

**Large Diameter
Pipe**

**Large diameter
pipe and special
dimensions**

**Pressure piping,
boilers, furnaces
and heat
exchangers**

Oil and gas



Power Generation and Petrochemicals



**High
performance
pipe:**

- Own high-grade and customised alloy steels
- Special dimensions
- Finishing treatment
- Heat treatment
- High corrosion
- Extreme temperatures
- Strong pressure
- Increased reliability
- High efficiency
- Less maintenance
- Customised product capacity

**We have developed our Premium target products:
Technological challenge combined with our own R&D**

Diversification and growth in new segments

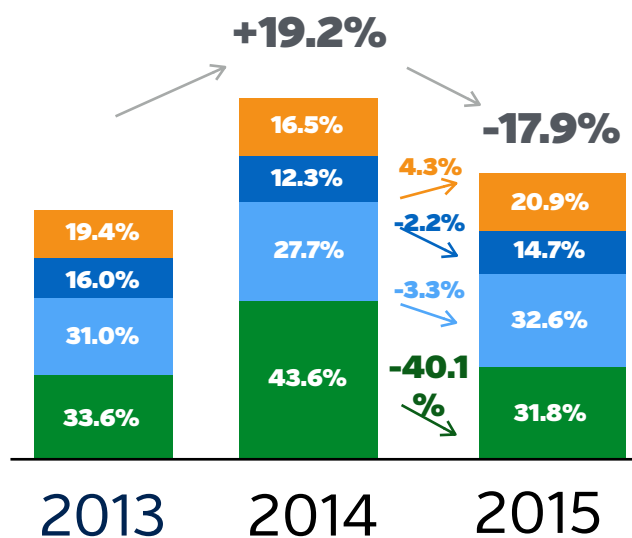
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1. 2015 RESULTS AND
2016 OUTLOOK



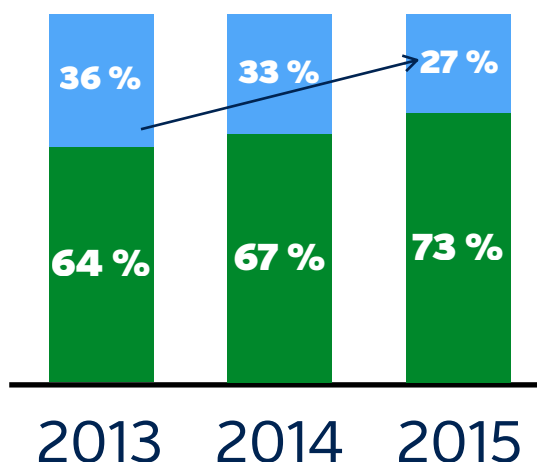
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**Evolution of seamless pipe sales,
MEUR %**



■ Construction and mechanical
■ Refining and petrochemical
■ Energy generation
■ Oil and gas - upstream & midstream

Special pipe, MEUR %



■ Special ■ Standard

● Reduction in OCTG sales and pipelines in North America.

● Improved mix and average price, supported by:

- ✘ Good sales performance in refining, petrochemical and power generation.
- ✘ Specialisation of the sales network in new products.
- ✘ Service Focused Solutions.
- ✘ Increase in the approvals for special products.

Crecimiento en nuevos productos y mejora de mix mitigando la caída en OCTG y conducciones en petróleo y gas

Increased global presence – Commercial reinforcement

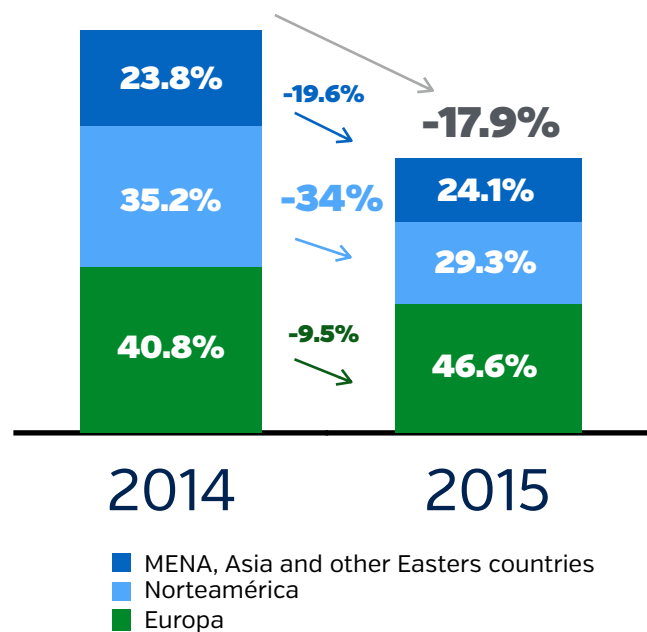
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2016 OUTLOOK



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**Evolution of seamless pipe sales,
MEUR %**





- **Reduction of sales in North America**
- **Project delays in the Middle East**
- **Market share gain supported by:**
 - ✘ **Commercial Organisation unification** of Group companies: comprehensive offer of solutions and synergies.
 - ✘ **Enhancing the commercial network:** Mexico, Colombia, Malaysia, Dubai.
 - ✘ **Project unit integration and** distribution as a service unit [Almesa].
 - ✘ **Approvals for new customers.**

**Commercial diversification outside of North America with
commercial reinforcement in Latin America, Asia and MENA**



● In 2015 we implemented a series of measures to:

- 
- Mitigating the effects of the situation.
 - Strengthening competitiveness.
 - Diversifying and improving commercial positioning.
- 

- ✦ Reinforcement and commercial activities aimed at improving our sales and positioning in new products.
- ✦ Activate all flexibility measures to adapt to low levels of activity.
- ✦ Definition and implementation of an efficiency and cost reduction plan.
- ✦ Focus on cash and debt reduction.
- ✦ Strengthening the balance sheet and liquidity.

In TR we implemented economic and structural measures to rebalance results and emerge stronger



Economic measures

Structural measures

- **Adaptation to lower levels of activity:**
 - Dropping 1 shift at the Amurrio plant.
- **Definition and initiation of the implementation of a set of measures to structurally increase competitiveness of the Group:**
 - Reduction and optimisation of structures.
 - Efficiency programmes in all operational and industrial processes.
 - Streamlining of procurement policies and of all items of the supply chain.
 - Redefining transport and internal and external logistics.
 - Review of all cost items for minimisation.
- **New organisational structure:**
 - Unification of structures, obtaining a single common organisation for all companies in order to obtain synergies and gain efficiencies.

**Enabling flexibility and efficiency measures for rebalancing
results and emerging stronger**

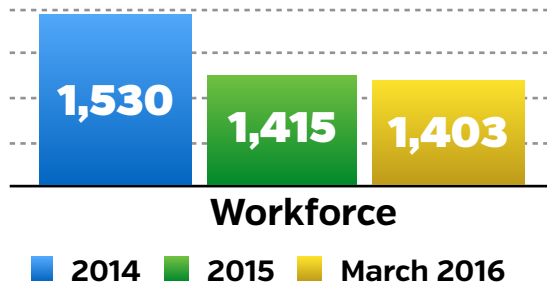
Actions - Results

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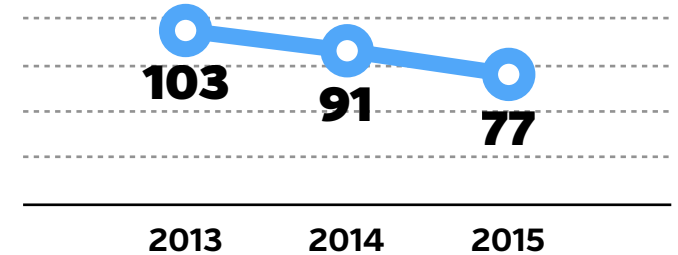
1. 2015 RESULTS AND
2016 OUTLOOK



Tubos Reunidos Group workforce reduction, e.g. Automotive Business

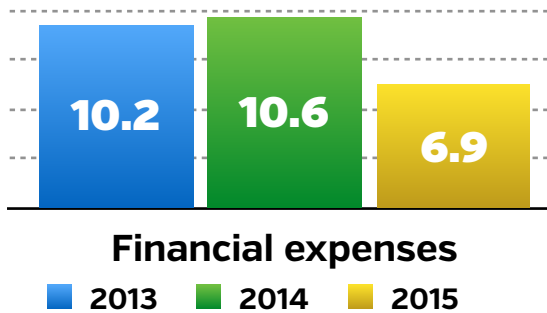


Reduction in working capital [days over sales]

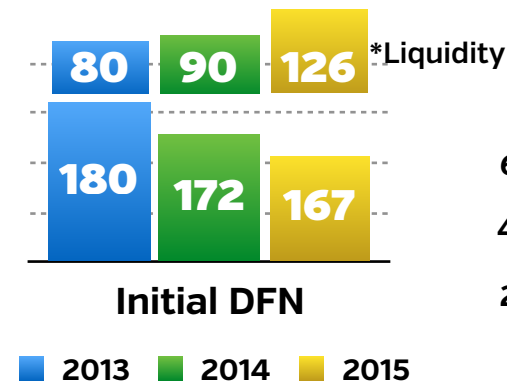


Balance in days w/o sales of net working capital (Customers + Inventories - Suppliers)

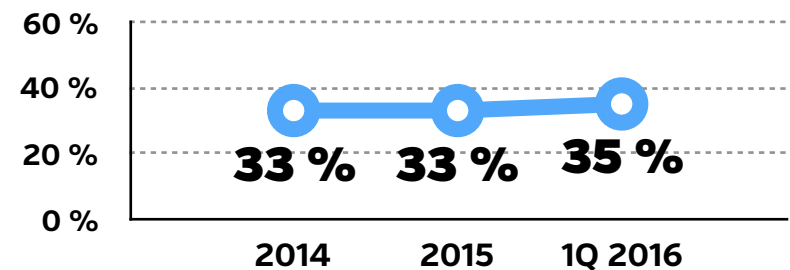
Financial Expense Reduction [MEUR]



Debt reduction, increased liquidity [MEUR]



Margin improvement on variables [% sales]



Note: Margin over variable costs for Tubos Reunidos Industrial + Productos Tubulares

* Cash plus unused S/T + L/T credit lines

Measures implemented in 2015 with progressive results on income statement and cash generation

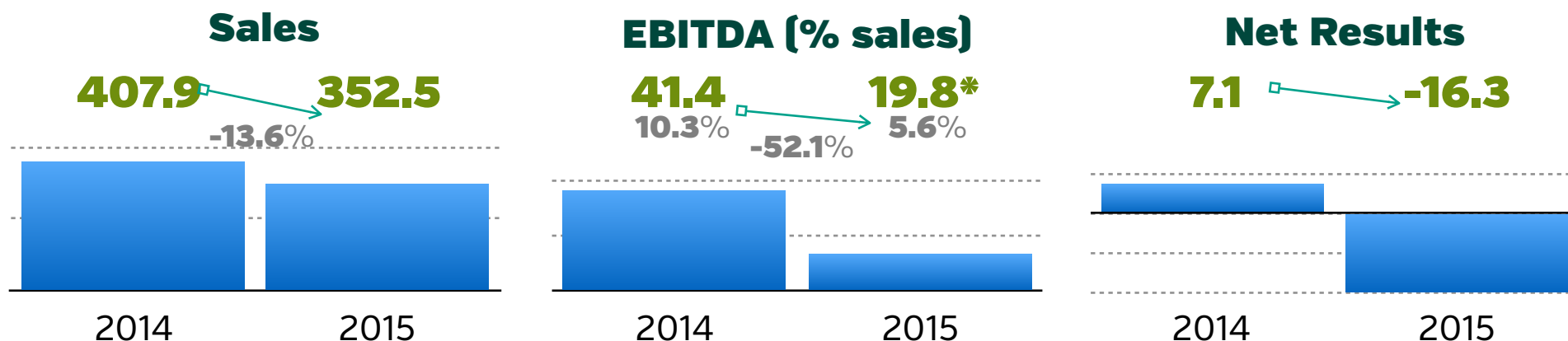
Consolidated Group: 2015 Results [MEUR]

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1. 2015 RESULTS AND
2016 OUTLOOK



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* Excludes the impact of the provision for impairment of inventories in USA credited at EUR 7,911 in 2015.

- Decreased revenues due to the sharp decline in demand in oil and gas and greater widespread competition in other segments.
- EBITDA* suffers a further reduction due to the limited utilisation of production capacity.
- The net result is affected by creation of a special reserve due to impairment of performance value of OCTG inventories in North America, amounting to 7.9 MEUR before taxes.

Completion of the investment plan

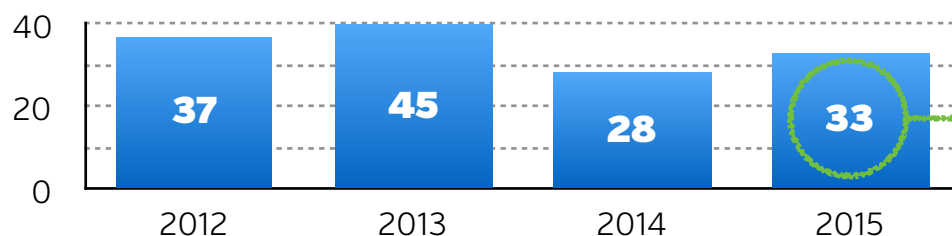
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1. 2015 RESULTS AND
2016 OUTLOOK



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Investments in seamless piping MEUR



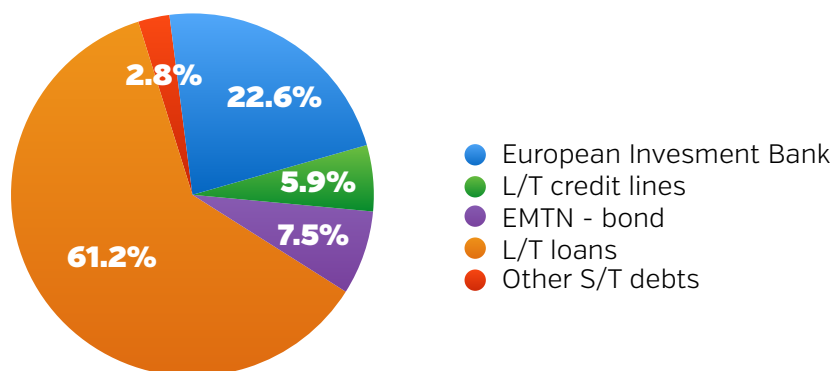
■ Adquisition of tangible and intangible fixed assets, MEUR

2015: Mainly new Tubos Reunidos Premium Threads plant

- **The 2012-2016 investment plan is completed, which has led to a transformation in our product portfolio and our production processes:**
 - ✘ Target Premium product portfolio developed and implemented for manufacture.
 - ✘ Ability to undertake new developments and to adapt to customer requirements without investments.
 - ✘ More competitive and efficient processes.
 - ✘ High added-value integration phase eliminating third-party reliance.

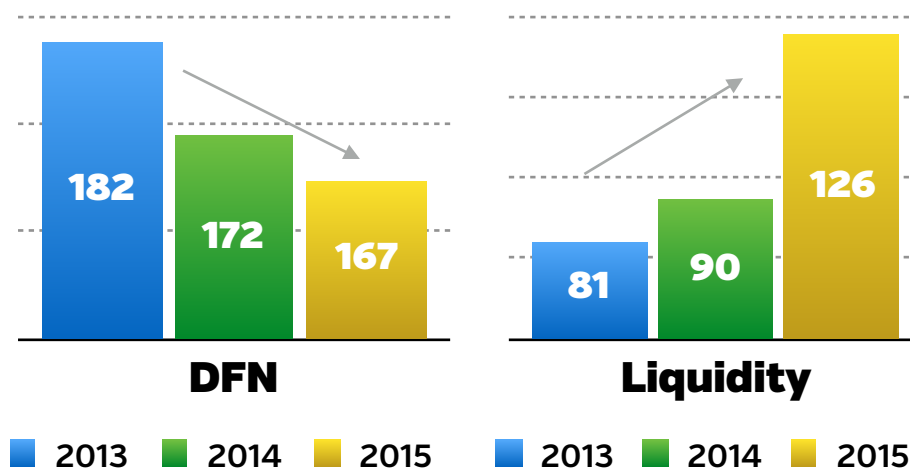
**We have completed our investment process.
Reduced investment in 2016 and limited needs
in the coming years**

Financial Structure, Gross 12/31/2015



- Diversification and strengthening of the financial structure.
- European Medium Term Notes Programme for 50 MEUR.
- Arranging new loans and optimisation of financing conditions.

Net financial debt and liquidity , MEUR, 12/31/2015



*Liquidity: Cash plus unused L/T + S/T credit Lines

- Reduction in net financial debt and increase liquidity despite the circumstances and high investments for the year.

Diversification and debt reduction – Increased liquidity

- **2016 kicked-off with oil reaching lows in January** and new announcements of investment cuts in oil and gas.
- **A turnaround in the price of oil and gas and raw materials took place in the second quarter**, with the first rise in the number of active rigs in North America in June.
- **We implemented additional measures to adapt to this environment** with the presentation of ERTes on both the Amurrio and Galindo facilities since May.
- **A new Extraordinary Efficiency Plan has been adopted** in order to expand and accelerate the implementation of our change process with more fundamental structural actions.
- **A binding agreement for the sale of Inauxa**, deemed as non-strategic, has been signed.
- **In May we opened and started production in our new TRPT plant**, with our partner MISI.
- **We have continued giving priority to strengthening our balance sheet**, increasing our liquidity and cash generation.

The first half of 2016 is still influenced by a context of decreasing demand and high competition



Main consolidated figures MEUR

Consolidated	1Q 2016	1Q 2015
Amount of net turnover	70.0	102.6
EBITDA	(1.2)	11.1
% sales	(1.8%)	10.1 %
Net result for the financial year	(11.2)	1.7

- Continued drop in sales volumes in the oil and gas segment.
- Turnaround towards a positive trend in hiring compared to the end of the second half of 2015, with improved product mix, especially in power generation and automotive segments.
- Respective increase in net financial debt.
- Progressive positive effect of the measures implemented in 2015 and 2016.

1Q 2016: Results reflect a worsening scenario – Start of turnaround in contracting trend

1Q 2016 Liquidity and debt management

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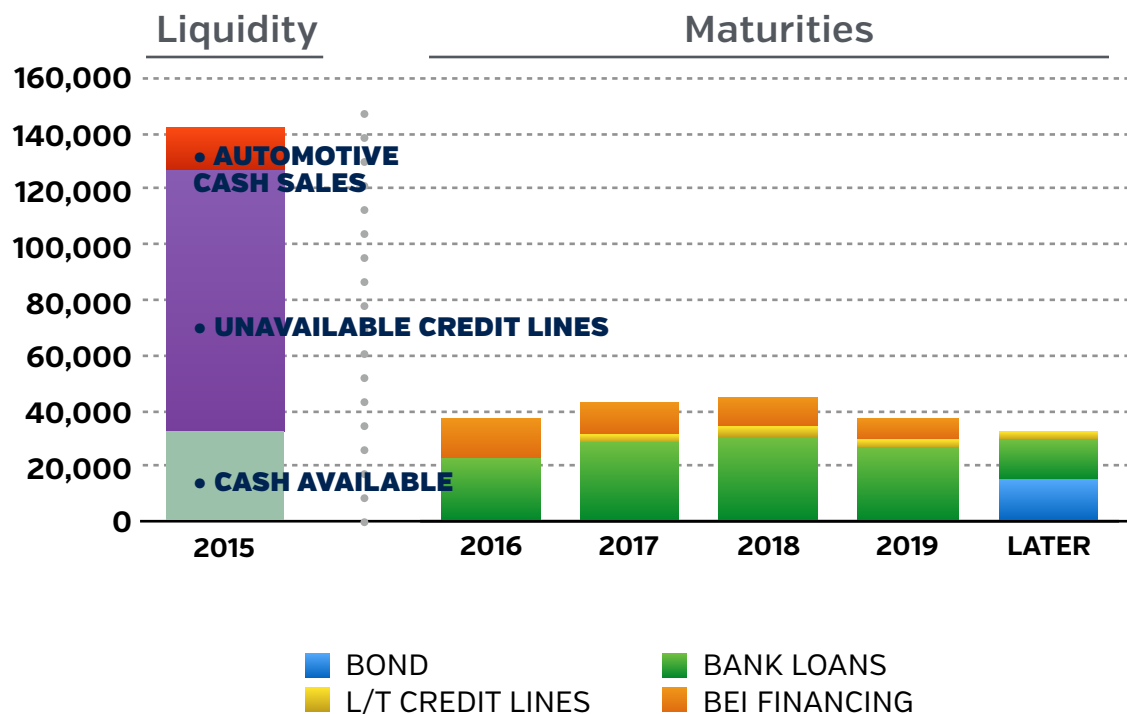
1. 2015 RESULTS AND
2016 OUTLOOK



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Liquidity and outstanding debt maturities, Dec. 2015

MEUR



We continue to focus our management on maximising **liquidity** in the market context and results, supported by:

- ✘ Operational measures.
- ✘ Reducing the contracting of new investments.
- ✘ Optimisation of working capital.
- ✘ Divestment of non-strategic assets.
- ✘ Debt management.



The nearly 50% of outstanding debt maturities and available limits in 2016 have been renewed and the rest are under renovation.

Maintaining high liquidity to pass through the crisis

Start of TRTP production: New Premium Threading Plant

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1. 2015 RESULTS AND
2016 OUTLOOK



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Inauguration and commissioning

- Award of API threads licence.
- Inaugurated in May 2016.
- In the final stage for the obtention of **Premium JFE threads licence** – expected for 3Q 2016.
- **Production started as per schedule** with 1 shift, 22 employees. About 25% of the total capacity.
- Obtaining customers approvals.
- World leader in quality and competitiveness.

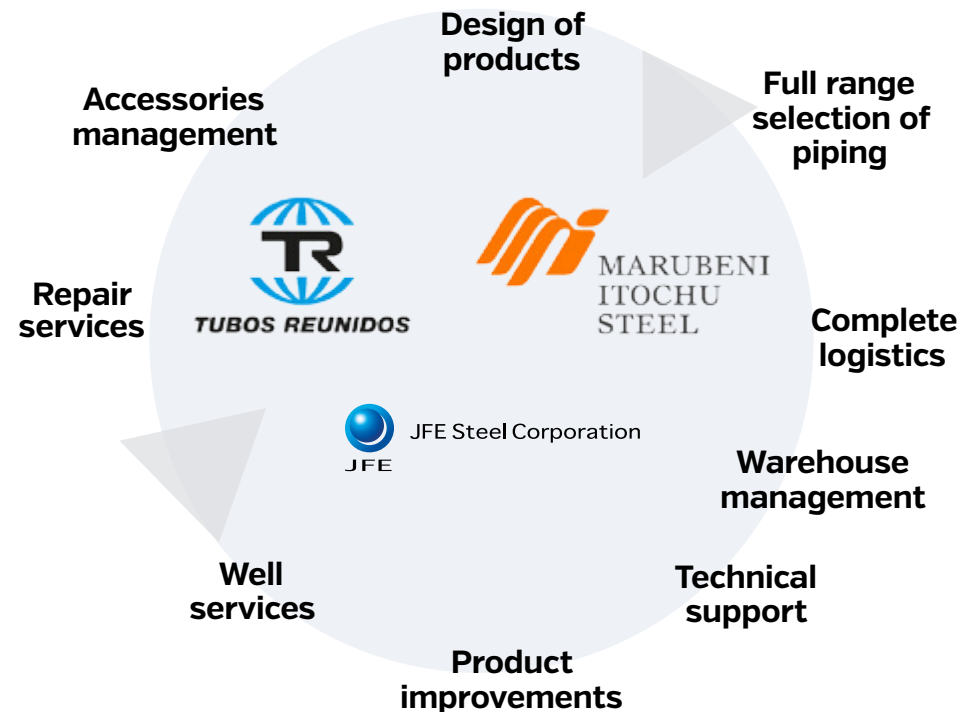


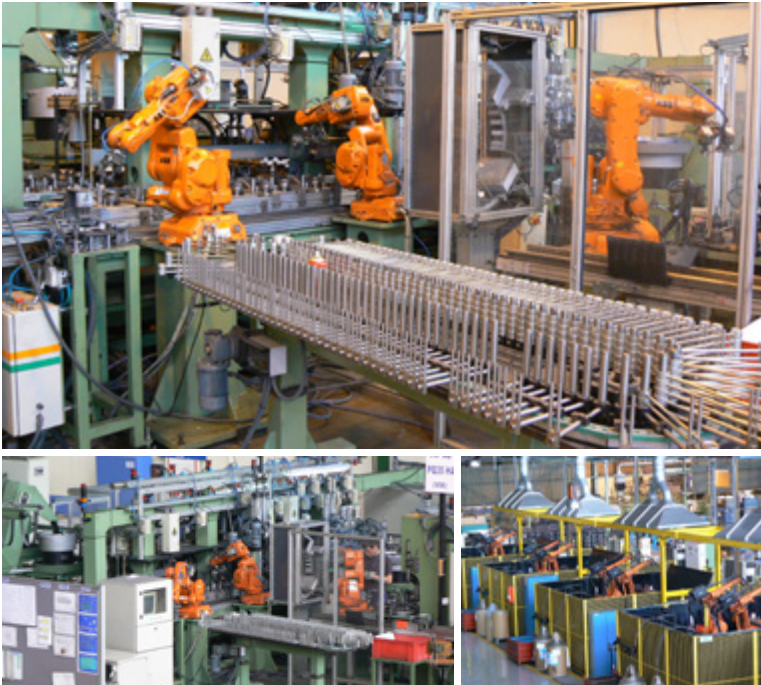


Opening new markets and Premium product segments

- Provides growth in sales of high value-added piping manufactured in the Amurrio plant since 2016.
- Strengthens the commercial position of Tubos Reunidos in the world.
- Opens new geographic markets for the Group: Europe, Africa, Middle East, Asia.
- Improves the current market position of OCTG threaded piping: USA.
- It involves the supply of a comprehensive service offer to the end customer.
- Product development together with oil and gas drilling companies.
- Comprehensive global management of OCTG services.

Piping Solutions Offer





- **Sale of 100% of the shares of Tubos Reunidos' automotive business** for 33 MEUR, of which the Group held 50%.
- **Acquired by German group Mubea.**
- **Binding purchase agreement signed on 21 June** subject to approval from competition authorities.
- **Estimated closing in the third quarter of 2016.**

Divestment in line with the objective of the Strategic Plan of focusing on the seamless piping business

- **We started the first half of 2016 with worse market conditions than those of 2015** and with uncertainty for the second half of the year:
 - ✘ Second year in a row with cuts in oil & gas investments.
 - ✘ Maintaining high competition.
 - ✘ Price increase of scrap and other raw materials.
 - ✘ Oil price around USD 50 bbl since early June.
- **The actions taken imply a change towards a positive trend in recruitment, predicting improved performance in the second half of the year.**
- **We are working to offset the market** downturn and emerge stronger from the current crisis:
 - ✘ Promoting opportunities for the new TRPT plant and the agreement with MISI.
 - ✘ Commercial focus on special products other than oil & gas and in segments with a better relative situation: automotive, power generation, gas production in the Middle East.
 - ✘ Reduction of structures and costs.
 - ✘ Maintaining high liquidity to face the crisis.
- **Immediate implementation of new measures** to adapt to the crisis and to the new environment in the short and long term.

2016: A year of continuity in difficult market conditions, with additional efforts in internal transformation measures – Extraordinary Efficiency Plan



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June 2016

Special Products & Integral Services Worldwide

2.

Management change
management towards
a new Tubos Reunidos



Base trend of the industry in the development of our 2014-2017 Strategic Plan

- **Global expectations of sustained growth in demand for the pipeline business.**
- **Supported by investments in energy infrastructure.**
- **Mostly on high technical specification premium products:**
 - ✘ Unconventional technologies for the production of oil and gas.
 - ✘ More efficient, safe and clean energy generation and petrochemical technologies.
- **Sophistication of service requirements of customers.**

Premium: Specialisation in high added-value products

Service: Flexibility + Comprehensive solutions – adding value to the product

Competitiveness: Being structurally more profitable and efficient in industrial and operational processes

Global: Increasing our geographical business and service presence in target markets



In the short term:

- ✘ Demand remains low, with an amplified effect for manufacturers due to the continued reduction in supplier inventories.
- ✘ Competition is highly aggressive – manufacturers with very low capacity utilisation ratios.
- ✘ Price levels and margins suffer significantly.
- ✘ Industry companies incur losses.

In the short term: strong tightening of market conditions for the piping industry

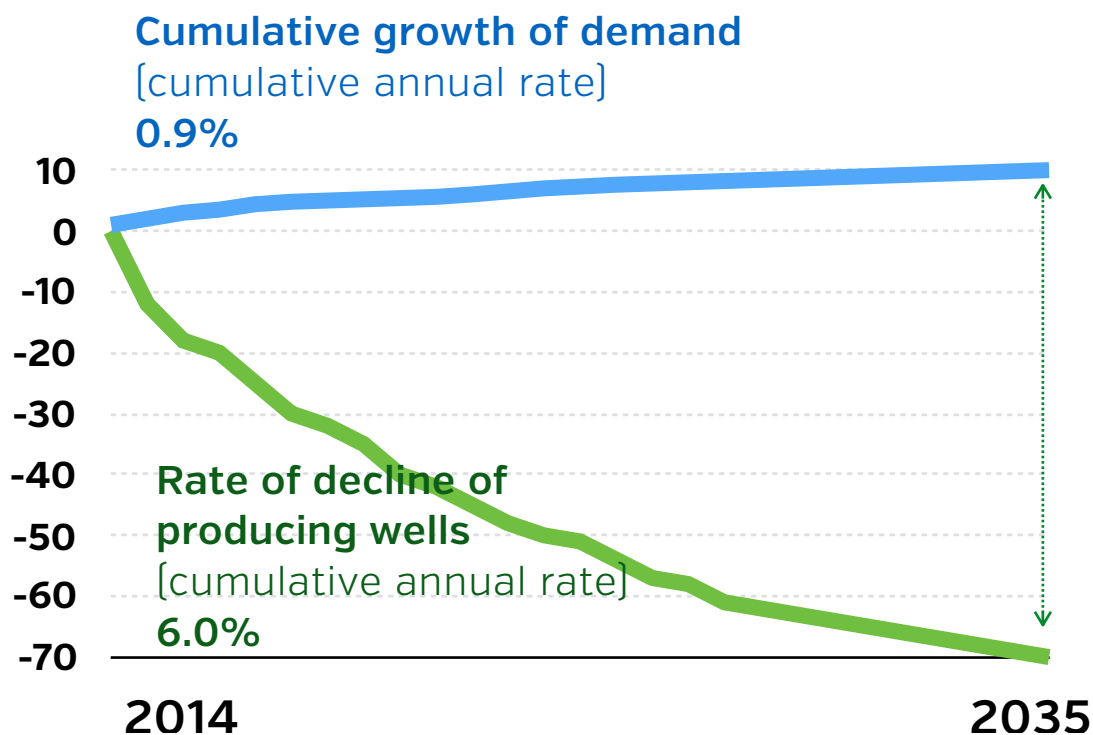


In the medium term:

- **It is unlikely that overcapacity will be reduced in the coming years** which will maintain the intense commercial conflict.
- **Lower price and margin levels than those before the crisis:** further affected by the need for greater efficiency of companies in the energy sector in a lower oil price environment.
- **Greater demands by customers** in terms of technical and service requirements at lower costs.
- + **Expected recovery of piping demand** to take on the growing energy demand. Reactivation of investment in oil and gas led by more competitive technologies and markets: North America, OPEC.
- + **Opportunity for Premium products and solutions** as they provide efficiency, competitiveness and reliability.

In the medium term: A New Scenario

2014-2035: oil production needs, [Mb/d]



 **New reserves
need to be put
into production**

Source: BP, 2016 Energy Outlook

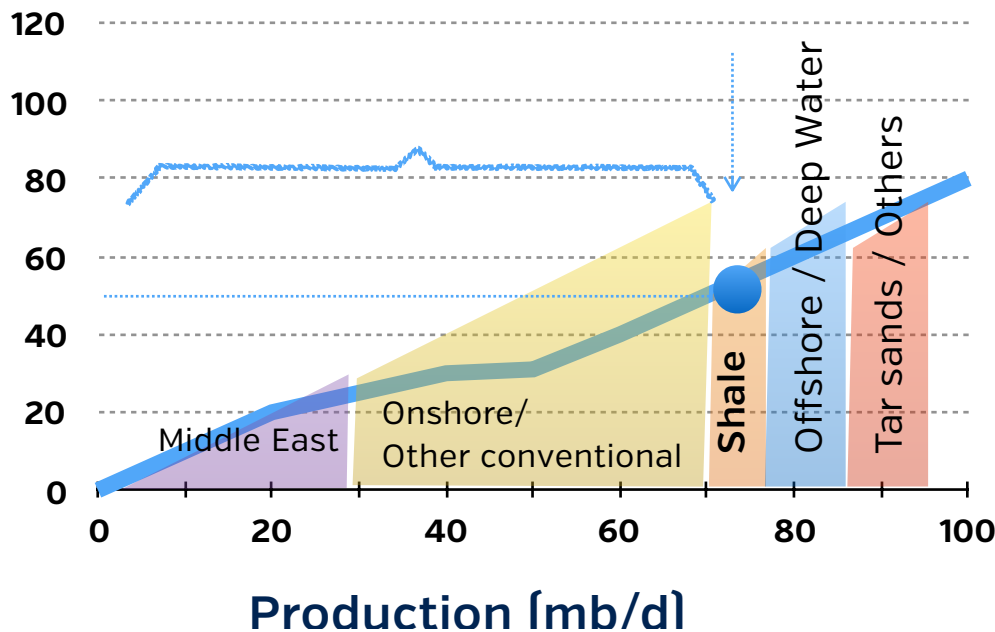
**The decline in production from the current active reserves shall
require new investments to meet the demand, spurring the need
for piping**

Increasing competitiveness of new technologies

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TOWARDS A NEW TUBOS REUNIDOS

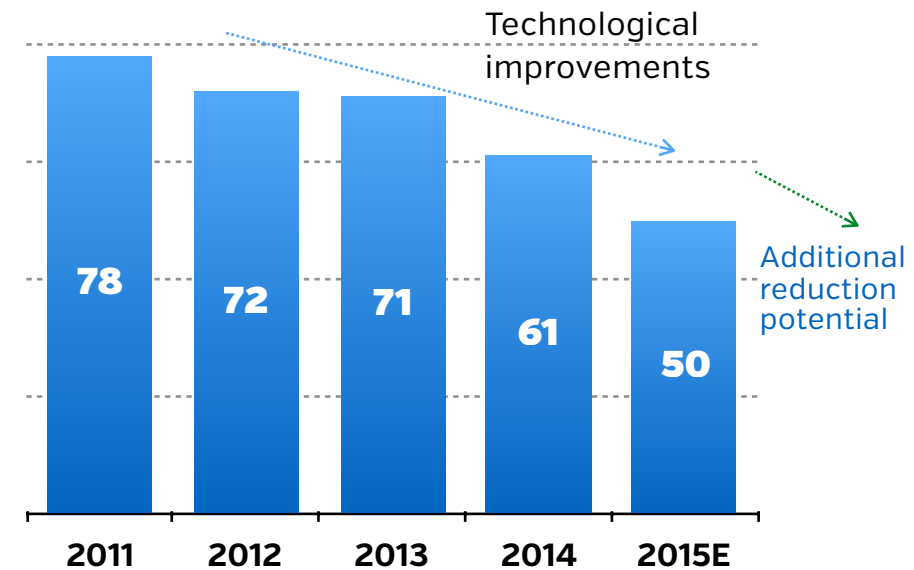


Oil production cost curve, (\$/bbl, Brent)



Source: BP, New Economics of Oil

Break-even price reduction of shale oil in North America



Source: Tenaris

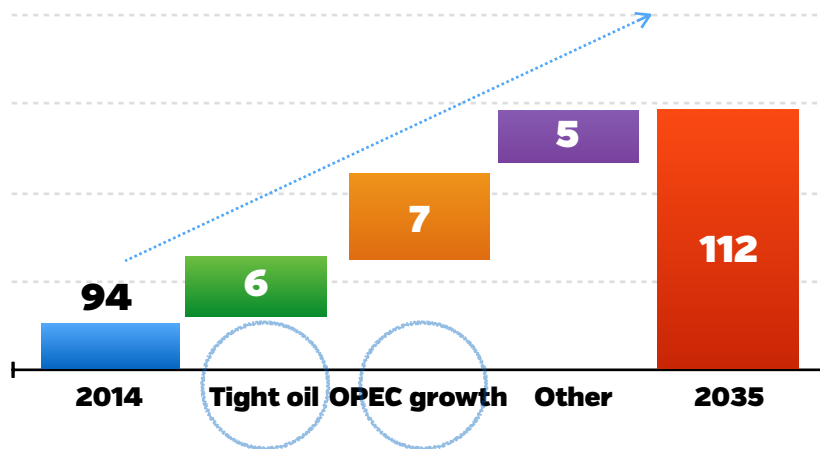
In an environment of lower oil prices, investment will be made in the most competitive technologies: mainly OPEC and shale in North America

Change in management: Positioned in Oil & Gas growth markets

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2. MANAGEMENT CHANGE MANAGEMENT
TOWARDS A NEW TUBOS REUNIDOS



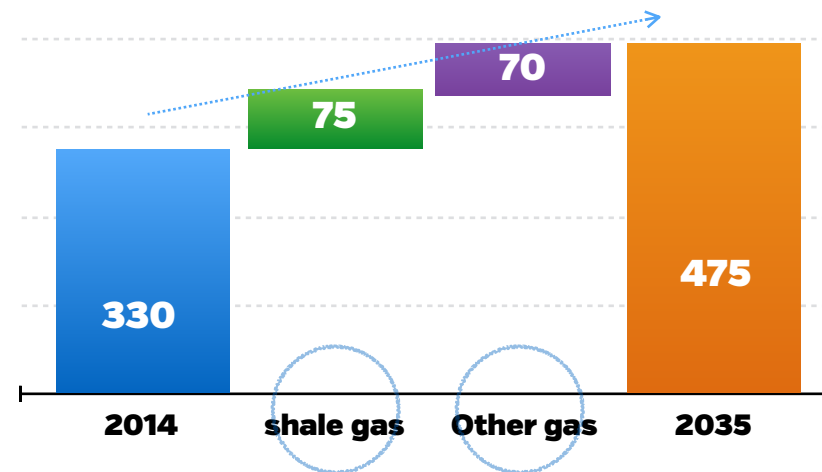
Increased oil production, Mb/d



Growth opportunities

- North America: +3.5 Mb/d of oil [1.9x vs. 2014], +45Bcf/d of gas [2.2x vs. 2014].
- OPEC.
- Non-conventional technologies.

Increased gas production, Bcf/d



Source: Energy Outlook 2016, BP

TR positioning

- ● Threaded piping historic market.
- ● Increased presence with MISI agreement.
- ● Threaded piping Premium Solutions and Products.

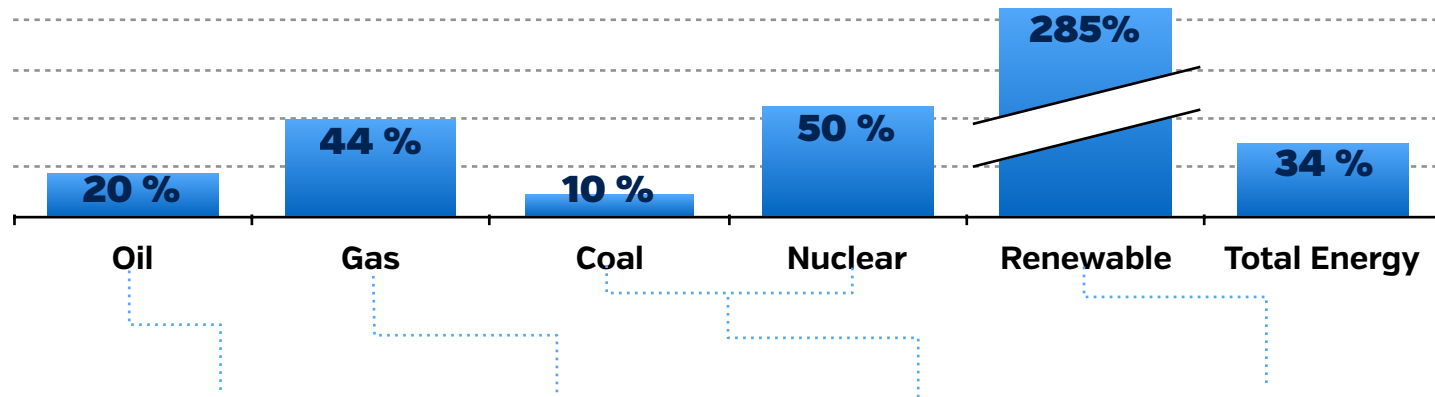
Differential threaded piping presence in major growth oil & gas markets expected

Expected growth in energy demand

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TOWARDS A NEW TUBOS REUNIDOS



2014 - 2035: Growth in energy demand, [cumulative]



Piping products

- OCTG
- Pipelines
- Piping for furnaces and heat exchangers for Refining and Petrochemicals

- OCTG
- Pipelines
- Pipes for boilers in power generation plants

- Pipes for boilers in power generation plants

- Pipes for power generation in thermal power plants and wind power plants

Source: BP Energy Outlook 2016

Growth demand expectations stable for seamless piping for the energy sector



**We reaffirm our
strategy**



**Change in
management**
adapting to the New
Sector Situation

**To get through the crisis:
EXTRAORDINARY EFFICIENCY
PLAN**

**To Create a New Tubos
Reunidos:
2017-2020 STRATEGIC PLAN**

Towards a New Tubos Reunidos Model

2014

2015

2016

2017

**We maintain the
foundation of our
2014-2017
Strategic Plan**

Transformational
investment plan



Business strategy and industrial design
oriented towards new products and Service
Solutions offer



Strengthening competitiveness:
Management model + new industrial
processes



Agreements and Partnerships –
strengthening global market position

Oil crisis

Implementation of measures to address
the crisis 2015 – 1half 2016



**We're managing a more
fundamental change**



Extraordinary Efficiency Plan

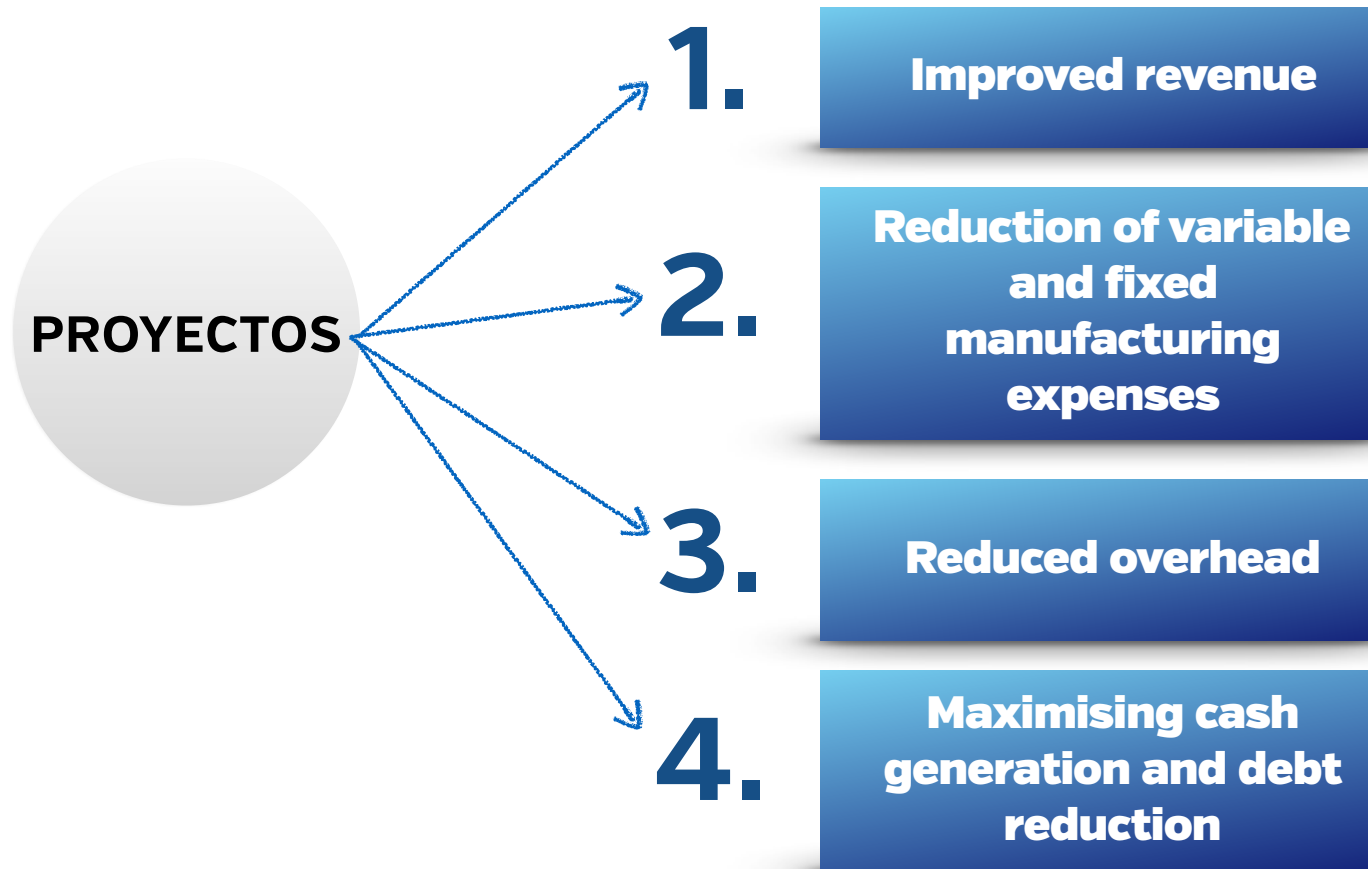
- Strengthening measures initiated in 2015/2016.
- Prioritises very short term goals, while also seeking structural improvements in the medium to long term.
- Concerns the main lines of the P&L Statement and the balance sheet.
- Defines the specific responsibilities, involving the Team and the Board in their development and implementation.
- Each individual sets his/her own goals: on a highest priority basis.
- It is monitored and subsequently evaluated through an "Efficiency Team", responsible for reporting and validating improvements to the General Manager, the Chair and the Board.
- The evaluation should be oriented towards improving sales and competitive position of the company [break-even].

Extraordinary Efficiency Plan

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2. MANAGEMENT CHANGE MANAGEMENT
TOWARDS A NEW TUBOS REUNIDOS



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1. **Income improvement project**



ACTION PLANS:

- **Increased market share in our core markets.**
- **Consolidation of commercial reorganisation.**
- **Implementation of business plans: large customers, automotive, approvals, new products, power generation, projects...**
- **Strengthening trade and MISI agreement plans.**
- **Margin improvement plan – Importance of Service.**



2.

**Project for reduction
of variable and fixed
manufacturing
expenses**



ACTION PLANS:

- **Actions on raw materials.**
- **Reduced prices and optimisation of purchase processes.**
- **Optimisation of processes.**
- **Optimisation of quality and losses.**
- **Optimisation of productivity.**
- **Reducing energy costs.**
- **Actions related to maintenance costs.**
- **Removing production bottlenecks.**

3. Overhead reduction project



ACTION PLANS:

General:

- ✘ Review and optimisation of all general costs, zero base.
- ✘ Unification of the Group's management companies: Tubos Reunidos Industrial, Productos Tubulares, Tubos Reunidos, S.A., Almesa, Acecsa.

Financial:

- ✘ Unification of the Group's financial companies: Tubos Reunidos Industrial, Productos Tubulares, Tubos Reunidos, S.A., Almesa, Acecsa.
- ✘ Optimisation of financial costs.

Extraordinary:

- ✘ Sale of Inauxa.
- ✘ Sale of Bilbao and Madrid offices.
- ✘ Sale of Almesa / Tubos Reunidos, S.A. / Productos Tubulares warehouse.

4.

Financing and Debt Management Project



ACTION PLANS:

- Conclusion of financing lines planned.
- Target tracking and limitation of working capital.
- Capex limited to committed payments and specific approvals.

Management change: In the medium term

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2. MANAGEMENT CHANGE MANAGEMENT
TOWARDS A NEW TUBOS REUNIDOS



We have started defining the 2017-2020 Strategic Plan to Achieve our vision of the New Tubos Reunidos Model



Globally consolidated as competitive supplier of Premium Piping Solutions

Key positioning: Premium:

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2. MANAGEMENT CHANGE MANAGEMENT
TOWARDS A NEW TUBOS REUNIDOS



PREMIUM OCTG

Special Pipelines

**Large Diameter
Pipe**

**Large diameter
pipe and special
dimensions**

**Pressure piping,
boilers, furnaces
and heat
exchangers**

Oil and gas

Research under
extreme corrosion,
pressure and
temperature conditions

Offshore and special
grade pipes

Power Generation and Petrochemicals

Critical phases and technologically advanced processes

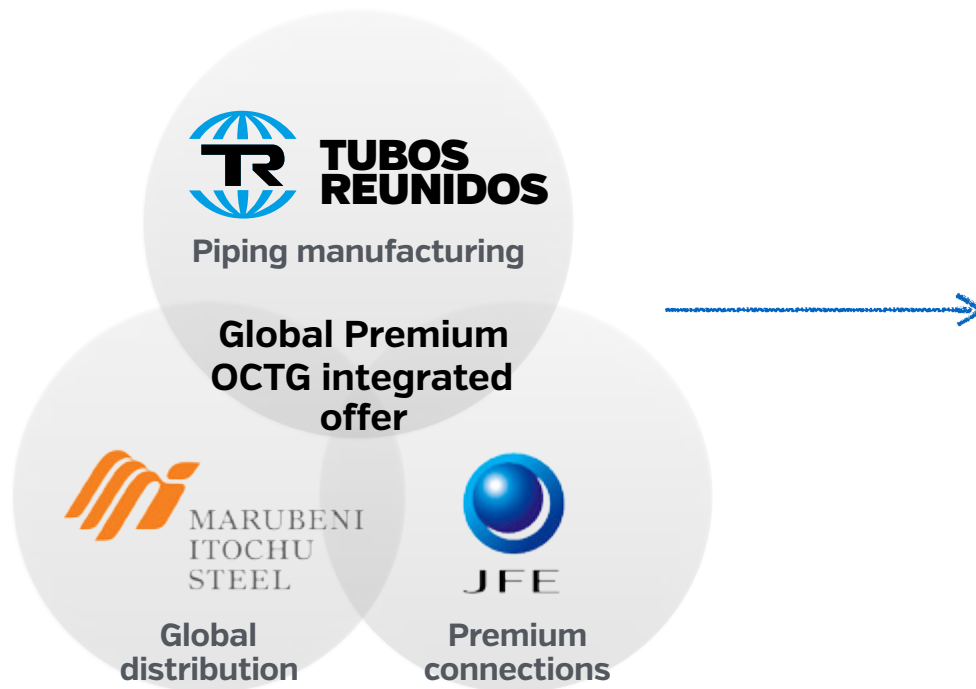
OBJECTIVES

- 🌀 **New special products as core business of the Group:** with differential response to user needs, with more demanding requirements in technical efficiency and performance.
- 🌀 **Consolidated industrial,** service and commercial positioning processes in high added-value products.
- 🌀 **Diversified in different segments of the energy sector.**

OBJECTIVES

1. Expanding and strengthening the strategic partnership with Marubeni Itochu Steel Inc.

Complementary capabilities that strengthen TR:



- Greater global commercial presence.
- Wider range of products.
- Wider range of services.

2. Reaching other strategic agreements that strengthen the service offering and global presence of Tubos Reunidos in its different products and segments.

OBJECTIVES

- Optimised industrial and flexible operating processes.
- Integrated production capacity from steel to the final product: quality and efficiency in all Group products.
- Completion and service phases of the production process in growth markets close to the customer.
- Maximum quality: minimising claims.
- Culture and management oriented towards efficiency, control and continuous cost reduction.
- Unified management structure maximising synergies and efficiencies.
- Optimised corporate areas.
- New labour relations model in line with improved competitiveness.

Structurally competitive and with more operational flexibility

Key positioning: More Commercially Global

General Meeting of Shareholders JUNE 2016
2. MANAGEMENT CHANGE MANAGEMENT
TOWARDS A NEW TUBOS REUNIDOS



**TUBOS
REUNIDOS
GROUP**

USA & Canada

- **Improved Premium sales mix.**
- **Industrial local and service presence obtained.**

Europe

- **Increased share with an expanded offer of comprehensive solutions.**

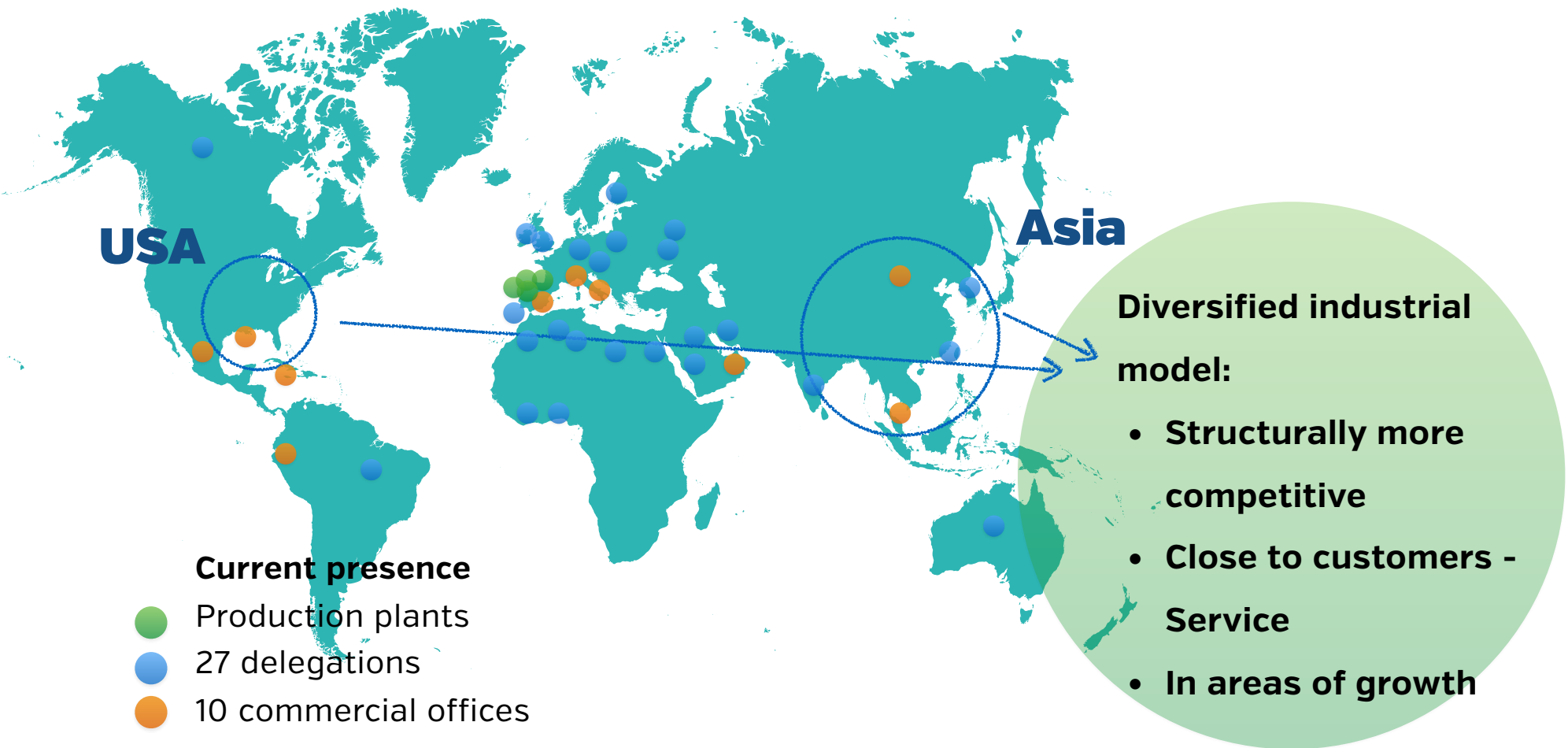
Asia, MENA and Latam

- **Increased weight on total Group sales.**
- **Establishing a local industrial, commercial and service presence.**

- **Presence in end user with service solutions.**
- **Agreements / collaborations that strengthen our global commercial position.**
- **Certified in top-tier customers.**
- **Single integrated commercial structure of the Group:**
 - Maximising synergies and efficiency.

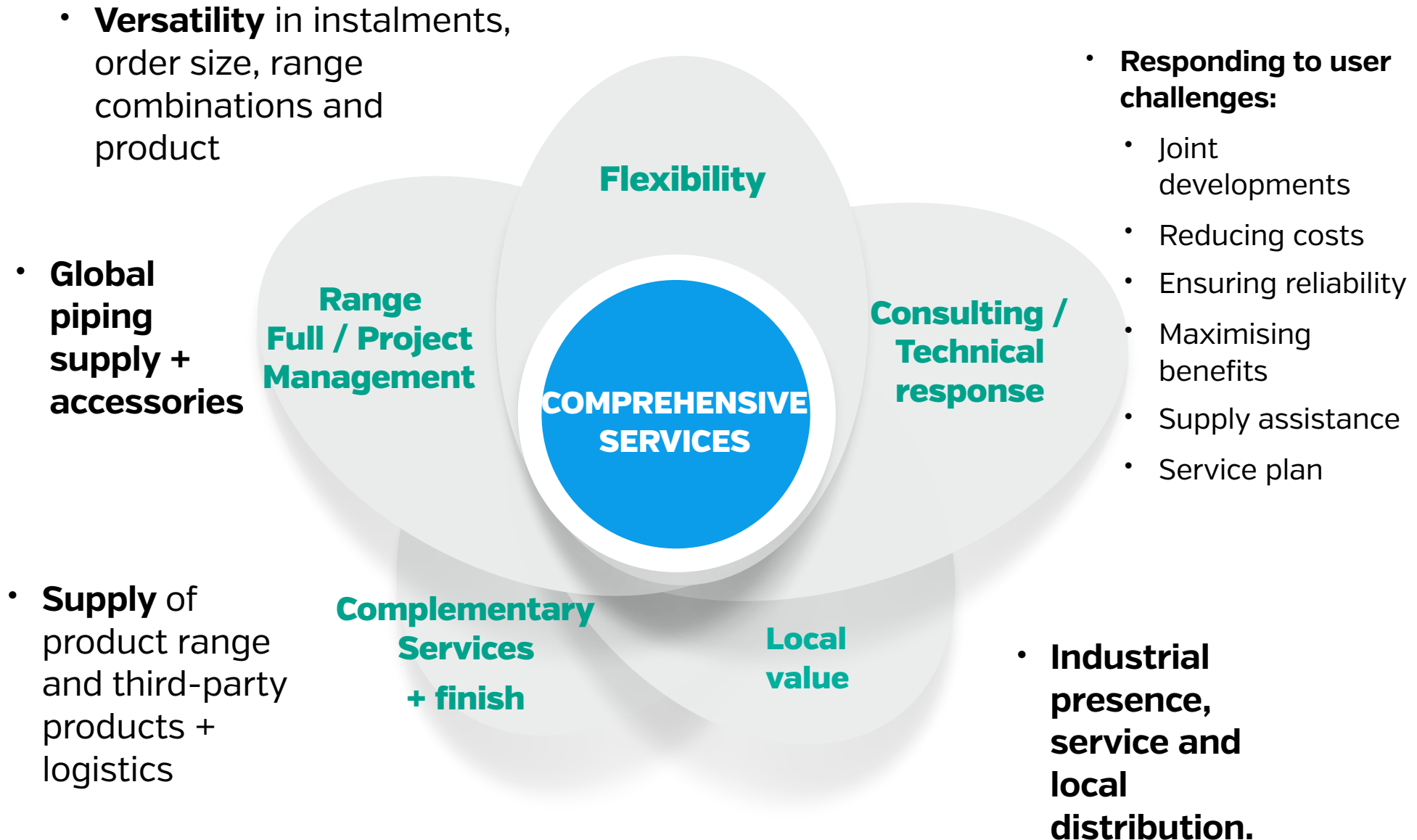
Key positioning: Industrial diversification

General Meeting of Shareholders JUNE 2016
2. MANAGEMENT CHANGE MANAGEMENT
TOWARDS A NEW TUBOS REUNIDOS



Key positioning: Expanded offer of Piping Solutions

General Meeting of Shareholders JUNE 2016
2. MANAGEMENT CHANGE MANAGEMENT
TOWARDS A NEW TUBOS REUNIDOS



Key positioning: Management model to serve the end user

General Meeting of Shareholders JUNE 2016
2. MANAGEMENT CHANGE MANAGEMENT
TOWARDS A NEW TUBOS REUNIDOS

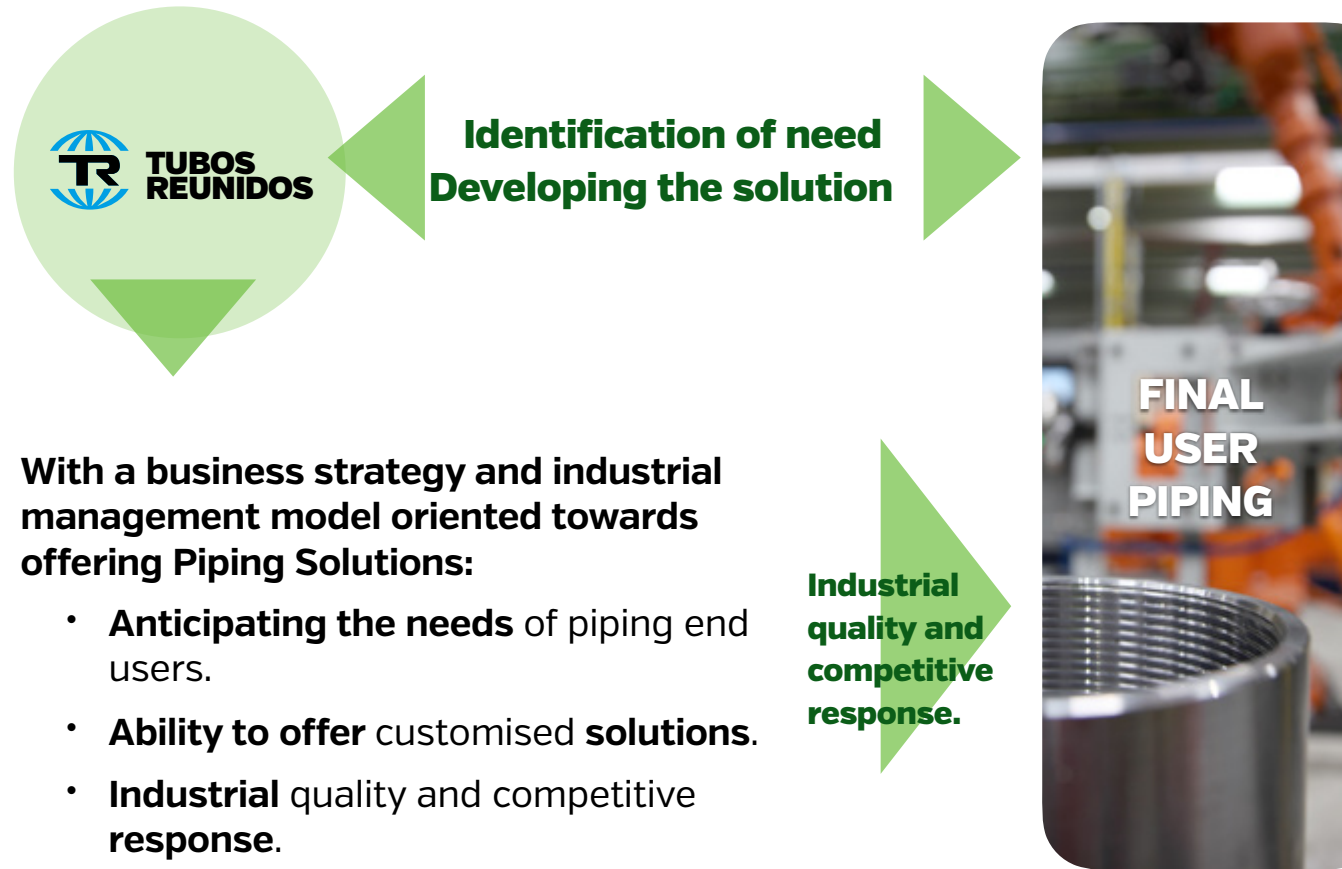


**TUBOS
REUNIDOS**
GROUP

BEFORE



NEW MANAGEMENT MODEL



From manufacturer to

A competitive and global industrial and commercial management model focused on offering end-user solutions

- **The current crisis has diverted us from meeting quantitative targets set for 2017.**
 - **We shall strive to achieve them when the market is back to normal.**
 - **The harsh conditions in which we develop our business persist, and we are taking steps to adapt.**
 - **Opportunities in the medium term remain in a new industry environment.**
- **We are convinced that we are working in the right direction and that our current efforts will allow us to:**
 - ✦ **Be better prepared** for the challenges and opportunities that may arise.
 - ✦ **Ensure a better future** for the Group.



**TUBOS
REUNIDOS
GROUP**

General Meeting of Shareholders

June 2016

Special Products & Integral Services Worldwide

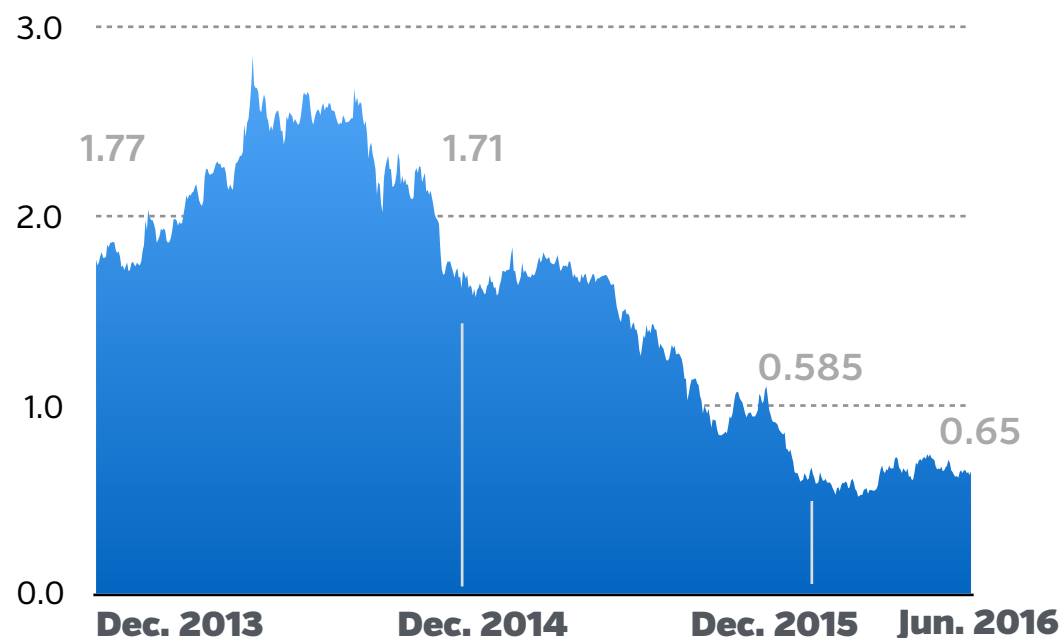
3.

Stock market
performance

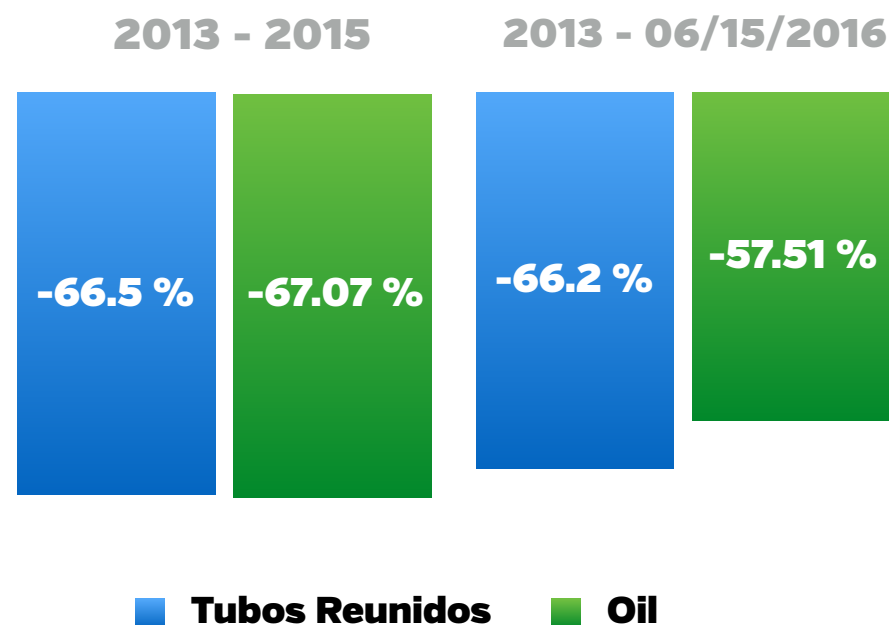




Shares listed price Eur/share



Evolution of Tubos Reunidos and oil price %



Share listed price performance affected by oil price

Stock market performance.

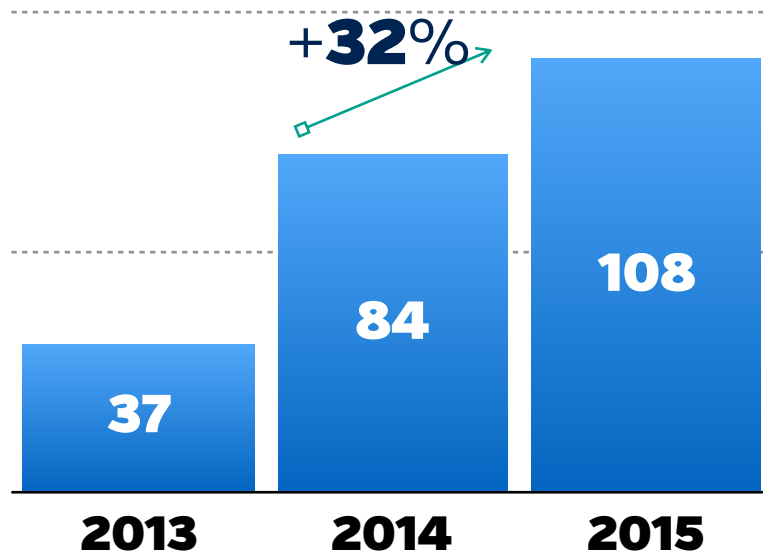
Liquidity of the share

General Meeting of Shareholders JUNE 2016
3. STOCK MARKET PERFORMANCE

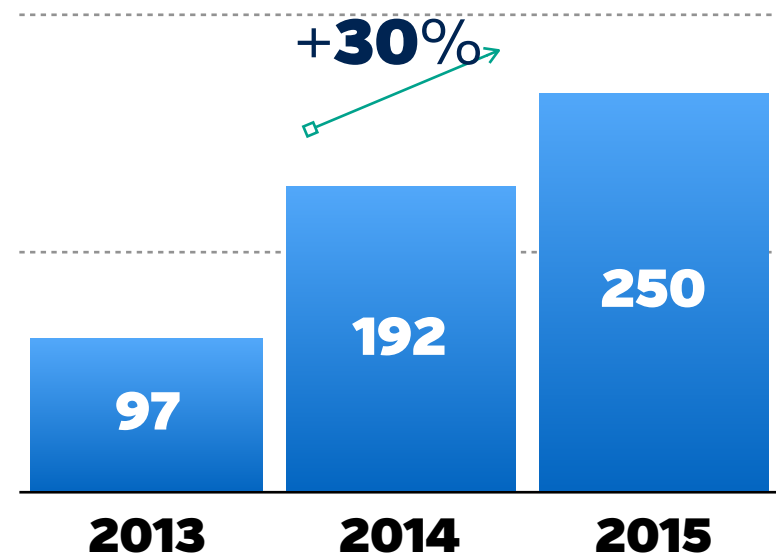


**TUBOS
REUNIDOS**
GROUP

Annual trading volume,
[Millions of securities]






Average daily trading volume, median,
[Thousands of shares]



Increased share liquidity during financial year



Investor relations

-  Recurring contact with institutional investors.
-  Continued service to retail investors.
-  Liquidity contract.

Continued activity of investor relations



**TUBOS
REUNIDOS
GROUP**

Special Products & Integral Services Worldwide

General Meeting of Shareholders

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4.

Agreements
proposal





- Adapting to recent legal changes [LSC and Law 9/2015].
- Technical improvements which do not alter statutory regulations.

5. Statute modifications

- ▶ Art. 3: The Board may change residence in national territory [formerly municipality].
- ▶ Art. 13: Shareholder information rights in the Board [requests for information, answers, web publishing].
- ▶ Art. 16: Majorities to adopt resolutions on Board = LSC.
- ▶ Art. 17: Powers of the Chairman of the Board.
- ▶ Art. 19: Minimum number of Council members: 5 [formerly 4] -> Corporate Governance Recommendation. Remove requirement to be a shareholder in co-optation = LSC.



- ▶ Art. 20: Powers of the Council: Excluding those the law reserves to the Board.
- ▶ Art. 21: Appointment of positions on the Council: CN and R previous report.
- ▶ Art. 22: Powers of the Council: At least once a quarter; alternative electronic means.
- ▶ Art. 23: Remove the position of "Non-Member" Deputy Secretary.
- ▶ Art. 24: Excluding the delegation of powers that cannot be delegated.
- ▶ Art. 25: Monitoring committees: Operating standards -> Regulation of the Council and those laid down in the "Legislation".

The statutes do not differ from the provisions of legislation nor are they particularly unique. It respects without limitation all rights and positions of minority and majority shareholders.



6. Regulation amendments of the General Meeting

- ▶ Competency of the Board.
- ▶ Meeting of the Board: definition of minority 3% Share Capital (formerly 5%); Right to complete the agenda and submit new proposals.
- ▶ Shareholder right to information: Extends until the fifth day before the request for reports, clarifications, questions; limited response assumptions; publishing everything on the web site.
- ▶ Electronic forum: Adapt terms to LSC.
- ▶ Registry of notes: Renamed as "Accounting registry".

The Board's Regulations do not differ from the provisions of the legislation nor are they particularly unique. It respects without limitation all rights and positions of minority and majority shareholders.



7. Amendments to Board Regulation

[Report to the Board; no vote]

- Approved by the Board on 29/10/2015 and 28/04/2016.
- Most significant aspects:
 - ▶ Creation of monitoring committees: Minimum three, maximum five Board Members [formerly 4].
 - Audit Committee: majority of independents, one of whom is the Chairperson.
 - C, N, and R.: At least two independents, one of whom is the Chairperson.
 - Qualitative aspects of the profile of its members.
 - ▶ Positions of the Board: CN and R previous report
 - ▶ Monitoring committee functions: New content according to LSC. More and more demanding functions.
 - ▶ Removal of the obligation to abstain in deliberations and voting by those affected by proposals for appointment, reappointment or removal.

The Board's Regulations do not differ from the provisions of legislation nor are they particularly unique. All Board Members may and must exercise the rights and fulfil the obligations inherent in their position.



First

To approve the annual accounts (individual and consolidated) for financial year 2015 and the social management of the board of directors.

Second

To apply the losses for financial year 2015 amounting to 2,636,314.07 to "Negative results from previous years".

Third

To re-elect PriceWaterhouseCooper as auditor for one year.

Fourth

Authorise the acquisition of own shares.

Fifth

Modification of statutes:

- 5.1.** Article 3, concerning the registered office.
- 5.2.** Articles 13, 16 and 17 relating to the General Meeting.
- 5.3.** Articles 19, 20, 21, 22, 23, 24 and 25 on the board of directors and its committees.
- 5.4.** To adopt a new revised text of the corporate statutes.

Sixth

To approve the amendments in the regulations of the General Board for adaptation to LSC and a new revised text.

Seventh [No vote]

Report on amendments in the regulations of the Board of Directors.



Eight

Powers and authority in connection with previous agreements.

Ninth

To approve with "consultative" nature the Annual Report on the remuneration of the Board.



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Special Products & Integral Services Worldwide

**General
Meeting of
Shareholders**

June 2016

**Management
change
towards a new
Tubos Reunidos**

