

**Tubos Reunidos, S.A.
and subsidiaries**

Audit Report,
Consolidated Annual Accounts at 31 December 2013
and directors' Report for 2013



"This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation."

AUDITOR'S REPORT ON THE CONSOLIDATED ANNUAL ACCOUNTS

To the Shareholders of Tubos Reunidos, S.A.:

We have audited the consolidated annual accounts of Tubos Reunidos, S.A. (parent company) and its subsidiaries (the group), consisting of the consolidated balance sheet at 31 December 2013, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement and related notes to the consolidated annual accounts for the year then ended. As explained in Note 2.1, the directors of the company are responsible for the preparation of these consolidated annual accounts in accordance with the International Financial Reporting Standards as endorsed by the European Union, and other provisions of the financial reporting framework applicable to the group. Our responsibility is to express an opinion on the consolidated annual accounts taken as a whole, based on the work performed in accordance with the legislation governing the audit practice in Spain, which requires the examination, on a test basis, of evidence supporting the annual accounts and an evaluation of whether their overall presentation, the accounting principles and criteria applied and the estimates made are in accordance with the applicable financial reporting framework.

In our opinion, the accompanying consolidated annual accounts for 2013 present fairly, in all material respects, the consolidated financial position of Tubos Reunidos, S.A. and its subsidiaries at 31 December 2013 and the consolidated results of its operations and the consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards as endorsed by the European Union, and other provisions of the applicable financial reporting framework.

The accompanying consolidated directors' Report for 2013 contains the explanations which the parent company's directors consider appropriate regarding the group's situation, the development of its business and other matters and does not form an integral part of the consolidated annual accounts. We have verified that the accounting information contained in the consolidated directors' Report is in agreement with that of the consolidated annual accounts for 2013. Our work as auditors is limited to checking the consolidated directors' Report in accordance with the scope mentioned in this paragraph and does not include a review of information other than that obtained from the accounting records of Tubos Reunidos, S.A. and its subsidiaries.

PricewaterhouseCoopers Auditores, S.L.

Original in Spanish signed by Jose Antonio Simón

Audit Partner

27 February 2014

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**TUBOS REUNIDOS, S.A. AND
SUBSIDIARIES**

**Consolidated Annual Accounts and
Consolidated Directors' Report
for the year ended
31 December 2013**

TUBOS REUNIDOS, S.A. AND SUBSIDIARIES

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CONSOLIDATED DIRECTORS' REPORT FOR 2013

- ANNUAL REPORT ON CORPORATE GOVERNANCE (ARCG)

TUBOS REUNIDOS, S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2013 AND 2012 (In thousands of Euros)

	Note	At 31 December	
		2013	2012
ASSETS			
Property, plant and equipment	6	355,204	340,446
Other intangible assets	7	11,620	8,468
Investment property	8	435	447
Non-current financial assets	9	5,284	13,506
Deferred tax assets	22	39,258	41,401
NON-CURRENT ASSETS		411,801	404,268
Inventories	11	115,286	121,293
Trade and other receivables	12	72,814	98,855
Other current financial assets	13	10,546	32,036
Cash and cash equivalents	14	15,252	19,259
CURRENT ASSETS		213,898	271,443
ASSETS OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE	15	4,836	11,240
TOTAL ASSETS		630,535	686,951
EQUITY AND LIABILITIES			
Share capital	16	17,468	17,468
Share premium	16	387	387
Other reserves	17	48,924	48,924
Retained earnings	17	176,053	173,469
Cumulative exchange difference	-	(3,227)	(3,275)
Less: treasury shares	16	(4,221)	(4,613)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		235,384	232,360
Non-controlling interests	18	10,653	11,228
TOTAL EQUITY		246,037	243,588
DEFERRED INCOME	19	10,946	9,369
Borrowings	21	169,054	160,185
Deferred tax liabilities	22	21,868	21,921
Provisions	23	15,183	17,425
Other non-current liabilities	20	33,788	27,143
NON-CURRENT LIABILITIES		239,893	226,674
Borrowings	21	38,568	71,019
Trade and other payables	20	91,230	121,686
Current tax liabilities	-	-	4,948
Other current liabilities	20	22	56
Provisions	23	3,839	9,611
CURRENT LIABILITIES		133,659	207,320
TOTAL LIABILITIES		384,498	443,363
TOTAL EQUITY AND LIABILITIES		630,535	686,951

Notes 1 to 37 are an integral part of these consolidated annual accounts

TUBOS REUNIDOS, S.A. AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENTS FOR THE YEARS ENDED 2013 AND 2012 (In thousands of Euros)

	Note	Year ended 31 December	
		2013	2012
Revenue	24	350,451	464,727
Other income	25	16,056	10,535
Change in inventories of finished goods and work in progress	11	1,963	240
Supplies	11	(161,781)	(226,403)
Employee benefit expense	26	(95,952)	(108,645)
Depreciation and amortisation	6/7/8	(24,686)	(26,606)
Other expenses	27	(77,819)	(100,282)
Other (losses)/gains - net	28	9,319	9,402
OPERATING PROFIT		17,551	22,968
Finance income	29	1,170	1,613
Finance costs	29	(10,190)	(12,528)
Exchange differences (net)	29	(2,405)	433
Impairment and gains/(losses) on disposal of financial instruments	29	-	73
Share of profit/(loss) of associates and joint ventures accounted for using the equity method	9-29	(4)	(34)
NET FINANCIAL LOSS		(11,429)	(10,443)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		6,122	12,525
Income tax	30	49	(1,477)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		6,171	11,048
PROFIT FOR THE YEAR		6,171	11,048
Non-controlling interests	18	472	(475)
PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT		6,643	10,573

	Note	Year ended 31 December	
		2013	2012
Earnings per share from continuing and discontinued operations attributable to owners of the parent during the year (expressed in Euros per share)	31		
Basic earnings per share:			
- From continuing operations		0.039	0.061
- From discontinued operations		-	-
		<u>0.039</u>	<u>0.061</u>
Diluted earnings per share:			
- From continuing operations		0.039	0.061
- From discontinued operations		-	-
		<u>0.039</u>	<u>0.061</u>

Notes 1 to 37 are an integral part of these consolidated annual accounts

TUBOS REUNIDOS, S.A. AND SUBSIDIARIES

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEARS ENDED 31
DECEMBER 2013 AND 2012**
(In thousands of Euros)

	Year ended 31 December	
	2013	2012
PROFIT FOR THE YEAR	6,171	11,048
OTHER COMPREHENSIVE INCOME		
Items that may be subsequently reclassified to profit or loss		
Currency translation differences	(157)	(727)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	6,014	10,321
Attributable to:		
- Owners of the parent	6,486	9,846
- Non-controlling interests	(472)	475
	6,014	10,321

Notes 1 to 37 are an integral part of these consolidated annual accounts

TUBOS REUNIDOS, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2013 AND 2012 (In thousands of Euros)

	Attributable to owners of the parent						Non-controlling interests (Note 18)	Total equity
	Share capital (Note 16)	Treasury shares (Note 16)	Share premium (Note 16)	Other reserves (Note 17)	Cumulative exchange difference	Retained earnings (Note 17)	Interim dividend for the year (Note 17)	
Balance at 31 December 2011	17,468	(5,512)	387	48,924	(2,548)	168,065	(2,062)	238,326
Total comprehensive income for 2012	-	-	-	-	(727)	10,573	-	10,321
Transactions with treasury shares	-	899	-	-	-	-	-	899
Dividends	-	-	-	-	-	(5,164)	2,062	(3,102)
Changes in consolidation scope	-	-	-	-	-	(5)	-	(2,856)
Balance at 31 December 2012	17,468	(4,613)	387	48,924	(3,275)	173,469	-	243,588
Total comprehensive income for 2013	-	-	-	-	(157)	6,643	-	6,014
Transactions with treasury shares	-	392	-	-	-	-	-	392
Dividends	-	-	-	-	-	(3,957)	-	(3,957)
Other changes	-	-	-	-	205	(102)	-	-
Balance at 31 December 2013	17,468	(4,221)	387	48,924	(3,227)	176,053	(103)	246,037

Notes 1 to 37 are an integral part of these consolidated annual accounts

TUBOS REUNIDOS, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2013 AND 2012

(In thousands of Euros)

	Year ended 31 December	
	2013	2012
Cash flows from operating activities		
Cash generated from operations	44,910	41,921
Interest paid	(10,190)	(10,973)
Net cash generated from operating activities	34,720	30,948
Cash flows from investing activities		
Purchases of property, plant and equipment	(37,813)	(39,189)
Proceeds from sale of property, plant and equipment and intangible assets	2,087	1,981
Proceeds from disposal of available-for-sale financial assets	271	251
Purchases of intangible assets	(5,837)	(3,788)
Proceeds from redemption of financial assets	29,712	16,485
Purchases of financial assets	-	(186)
Net cash used in investing activities	(11,580)	(24,446)
Cash flows from financing activities		
Acquisition and cancellation of treasury shares	392	899
Proceeds from borrowings	82,400	40,500
Repayment of borrowings	(105,982)	(22,055)
Repayment of subsidies	-	(19,917)
Dividends paid to owners of the Company	(3,957)	(3,102)
Net cash used in financing activities	(27,147)	(3,675)
Net (decrease)/increase in cash and cash equivalents	(4,007)	2,827
Cash and cash equivalents at beginning of year	19,259	16,432
Cash and cash equivalents at end of year	15,252	19,259

Notes 1 to 37 are an integral part of these consolidated annual accounts

TUBOS REUNIDOS, S.A. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 (In thousands of Euros)

1. General information

Tubos Reunidos, S.A. (T.R.), as holding company, is head of a group of companies (see table below) operating in the areas of seamless tube, distribution, automotive and other sectors. Its registered office for business and tax purposes is located in Amurrio (Alava).

The parent is a public limited company (*sociedad anónima*) listed on the Bilbao and Madrid stock exchanges.

Subsidiaries, which are fully consolidated as the Company has a majority shareholding or control, are as follows:

Company name and registered office	Activity	%	Parent company	Auditor
Tubos Reunidos Industrial, S.L. (Sociedad Unipersonal) (TRI) Amurrio (Alava)	Industrial	100	T.R.	PwC
Productos Tubulares, S.A. (Sociedad Unipersonal) (PT) Valle de Trápaga (Vizcaya)	Industrial	100	T.R.	PwC
Almacenes Metalúrgicos, S.A.U. (ALMESA) Güeñes (Vizcaya)	Trading	100	T.R.	PwC
T.R. Aplicaciones Tubulares de Andalucía, S.A. (TRANDSA) Chiclana (Cádiz)	No activity	100	T.R.	-
Industria Auxillar Alavesa, S.A. (INAUXA) (*) Amurrio (Alava)	Industrial	50	T.R.	PwC
Aceros Calibrados, S.A. (ACECSA) Pamplona (Navarre)	Industrial	100	T.R.	-
T.R. Comercial, S.A. Amurrio (Alava)	Trading	100	T.R.	-
Aplicaciones Tubulares, S.L. Bilbao (Vizcaya)	No activity	100	T.R.	-
T.R. América, Inc. Houston (Texas)	Trading	100	T.R.	-
Aplicaciones Tubulares, C.A. (ATUCA) Edo. Miranda (Venezuela)	Trading	100	T.R.	Horwath
Clima, S.A.U. (CLIMA) Bilbao	Holding company	100	T.R.	-
Profesionales de Calefacción y Saneamiento, S.L. (PROCALSA) Barcelona	Trading	100	Almesa	PwC
Engineering Developments for Automotive Industry, S.L. (EDAI) (*) Amorebieta (Vizcaya)	Holding	50	T.R.	PwC
EDAI Technical Unit, A.I.E. (*) Amorebieta (Vizcaya)	Engineering	50	EDAI	PwC
Inaumex, S.A. de C.U. (*) Celaya (Mexico)	Industrial	50	EDAI	PwC
Kunshan Inatek Automotive Components Co. Ltd. (*) Kunshan (China)	Industrial	50	EDAI	-

(*) Fully consolidated as the Group has effective control.

TUBOS REUNIDOS, S.A. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 (In thousands of Euros)

Changes in consolidation scope

In 2012, the Group sold its 50% shareholding in polyethylene tank manufacturer Sociedad Depósitos Tubos Reunidos Lentz, TR Lentz, S.A. This transaction did not generate any gain or loss in the annual accounts for the year ended 31 December 2012.

Also in 2012, wholly-owned subsidiaries Almesa Internet, S.A. and Almacenes Agrelo, S.L. (Sociedad Unipersonal) were liquidated.

Group companies Engineering Developments for Automotive Industry, S.L. (EDAI) and Aplicaciones Tubulares, S.L., founding partners of the Economic Interest Grouping (EIG) called EDAI Technical Unit, A.I.E., which carries research, development and innovation (R&D&I) projects and transforms them into processes, made disbursements of 530 thousand euros in 2012.

In 2012 and 2013, disbursements of 484 thousand and 449 thousand euros, respectively, were made in Group company Kunshan Inautek Automotive Components Co. Ltd.

Associates of the Group accounted for using the equity method are as follows:

<u>Company name and registered office</u>	<u>Activity</u>	<u>%</u>	<u>Parent company</u>
Perimetral Sallen Technologies, S.L. (Madrid)	R&D	25	P.T.

The Group sold its 30% shareholding in Landis Outsourcing, S.L. in 2012.

The 2012 consolidated annual accounts were authorised for issue by the Board of Directors of the Company on 21 February 2013 and were approved by the General Meeting of Shareholders on 30 May 2013. The 2013 consolidated annual accounts were authorised for issue by the Board of Directors on 20 February 2014 and are pending approval by the General Meeting of Shareholders. The Group's directors expect them to be approved without modification.

TUBOS REUNIDOS, S.A. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 (In thousands of Euros)

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated annual accounts are set out below. These policies have been consistently applied to all the years presented, except as explained in Note 2.1.

2.1 Basis of presentation

The consolidated annual accounts of the Group for the year ended 31 December 2013 have been prepared in accordance with International Financial Reporting Standards (IFRS) endorsed for use in the European Union (IFRS-EU) and approved by Regulations of the European Commission, and effective as of 31 December 2013, and IFRIC interpretations.

The consolidated annual accounts have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of consolidated annual accounts in conformity with IFRS-EU requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated annual accounts are disclosed in Note 4.

IFRS-EU standards

a) Standards, amendments and interpretations effective for annual periods beginning on or after 1 January 2013

Amendment to IAS 1 "Financial Statement Presentation – Presentation of Items of Other Comprehensive Income"

The amendment changes the presentation of other comprehensive income, requiring entities to group items into two categories on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). Items that will never be reclassified to profit or loss (e.g. revaluations of items of property, plant and equipment) are presented separately from those that could be reclassified to profit or loss (e.g. gains and losses on cash flow hedges).

The amendment did not change the option provided for in IAS 1 to present items of other comprehensive income before tax. If the entity chooses this option, then the tax related to each of the two groups of items must be shown separately. IAS 1 has also changed the name of the "statement of comprehensive income" to the "statement of profit or loss and other comprehensive income". The use of different names is still allowed.

TUBOS REUNIDOS, S.A. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 (In thousands of Euros)

This amendment is effect for annual periods beginning on or after 1 July 2012.

This amendment did not have a material impact on the Group's consolidated annual accounts.

Amendment to IAS 19 "Employee Benefits"

The amendment to IAS 19 significantly changes the recognition and measurement of defined benefit pension expenses and of termination benefits, as well as disclosures of all employee benefits. Changes introduced to IAS 19 include:

- Actuarial gains and losses (now called "recalculations") may only be recognised in other comprehensive income. The options to defer actuarial gains and losses (the "corridor" approach) and recognise them directly in profit or loss have been removed. Revaluations recognised in other comprehensive income cannot be reclassified ("recycled") to profit or loss.
- Past service cost must be recognised in the year the plan amendment occurs. Accrued but not vested benefits cannot be deferred to a future period of service. Curtailments only occur when an entity significantly reduces the number of employees covered by a plan. Gains and losses from curtailments are recognised when the past service cost is recognised.
- The annual expense of a funded benefit plan must include the net interest cost or income, calculated by multiplying the net defined benefit liability (asset) by the discount rate.
- Benefits conditional on future service being provided are not considered termination benefits.

The amendment to IAS 19 is effective for annual periods beginning on or after 1 January 2013.

This amendment did not have an impact on the consolidated annual accounts.

Amendment to IFRS 1 "Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters"

The amendments regarding severe hyperinflation provide guidance on how entities can present for the first time or resume presenting financial statements in accordance with IFRS after a period when the entity was unable to comply with IFRS because its functional currency was subject to severe hyperinflation.

Regarding the removal of fixed dates for IFRS 1, the standard changes references to "1 January 2004" for "the date of transition to IFRS". Therefore, first-time adopters are not required to restate transactions occurring prior to the date of transition to IFRS.

TUBOS REUNIDOS, S.A. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 (In thousands of Euros)

Although the mandatory effective date for the amendment established by the IASB is for annual periods beginning on or after 1 July 2011, for European Union purposes, the effective date is for annual periods beginning on or after 1 January 2013.

This amendment did not have an impact on the consolidated annual accounts.

Amendment to IAS 12 "Deferred tax: Recovery of Underlying Assets"

The amendment to IAS 12 provides a practical approach for measuring deferred tax assets and deferred tax liabilities arising on investment property measured at fair value, one of the valuation options provided for in IAS 40 "Investment Property". Regarding the measurement of these deferred taxes, the amendment introduces a rebuttable assumption that the economic benefits inherent in investment property measured using the fair value model will be recovered through sale of the property and not through its use. The amendment incorporates some guidance from SIC 21 "Income Taxes - Recovery of Revalued Non-Depreciable Assets" in IAS 12, stating explicitly that its requirements do not apply to investment property measured at fair value.

Although the mandatory effective date for the amendment established by the IASB is for annual periods beginning on or after 1 January 2012, for European Union purposes, the effective date is for annual periods beginning on or after 1 January 2013.

This amendment did not have an impact on the consolidated annual accounts.

IFRS 13 "Fair Value Measurement"

IFRS 13 is the result of a joint project between the IASB and the FASB (Financial Accounting Standards Board of the US) providing guidance on how to measure items at fair value and designed to improve and expand required disclosures about fair value. The standard does not specify which items must be measured at fair value or incorporate new requirements for fair value measurements from those in other standards.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). This measurement is based on market expectations and not those of the entity. A three-level hierarchy is established similar to that of IFRS 7 for fair value measurements based on the inputs and valuation techniques used. Required disclosures in the new standard include the valuation technique used, the inputs used in the measurements and any change in valuation techniques used.

The standard is effective for annual periods beginning on or after 1 January 2013.

TUBOS REUNIDOS, S.A. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 (In thousands of Euros)

This IFRS shall be applied prospectively as of the beginning of the annual period in which it is initially applied. The disclosure requirements need not be applied in comparative information provided for periods before initial application of IFRS 13.

The Group has included the information and disclosures in the required line items. Application of this standard did not have a material impact on the Group's consolidated annual accounts.

IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine"

This interpretation is the result of a request to clarify how and when to account for costs related to the removal of mine waste materials to gain access to mineral ore deposits. IFRIC 20 defines when these costs should be recognised as an asset in the balance sheet and how to measure them both initially and subsequently.

IFRIC 20 is effective for annual periods beginning on or after 1 January 2013.

This interpretation does not apply to the Group.

Amendment to IFRS 1 "Government Loans"

The IASB amended IFRS 1 "First-time Adoption of International Financial Reporting Standards" to allow first-time adopters to apply the requirements in IAS 20 "Accounting for Government Grants and Disclosure of Government Assistance" applicable to existing IFRS preparers regarding government loans with a below-market rate of interest.

The new exception to IFRS 1 requires the prospective application of IAS 20 and IFRS 9 "Financial Instruments" (or IAS 39 "Financial Instruments: Recognition and Measurement" as appropriate) to public loans existing at the date of transition to IFRS. The entity may elect to apply the requirements of IAS 20 and IFRS 9 (or IAS 39) to government loans retrospectively to the date of transition to IFRS provided that the information needed to do so had been obtained at the time of initially accounting for the loan.

The amendment to IFRS 1 is effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted.

This amendment did not have an impact on the consolidated annual accounts.

TUBOS REUNIDOS, S.A. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 (In thousands of Euros)

Improvement project cycle 2009 – 2011

- **IFRS 1 “First-Time Adoption of IFRS”**

The amendment clarifies that IFRS 1 can be applied repeatedly by the same entity under certain circumstances. When an entity that presented its financial statements in accordance with IFRS but stopped applying IFRS, then subsequently presented its financial statements in accordance with IFRS, the amendment allows, but does not require, the entity to re-apply IFRS 1. If this circumstance is important, the entity must disclose the reasons why it previously stopped applying IFRS and subsequently resumed reporting in accordance with IFRSs.

The amendment is effective for annual periods beginning on or after 1 January 2013 and retrospective application is required.

This amendment does not apply to the Group.

- **IFRS 1 “First-Time Adoption of IFRS”**

The amendment clarifies that first-time adopters of IFRS must retain borrowing costs capitalised in accordance with previous GAAP in the opening balance sheet. By contrast, IAS 23 “Borrowing Costs” applies to the accounting treatment of borrowing costs incurred after the date of transition to IFRS, even for qualifying assets that are under construction at the date of transition. The entity may choose to apply the requirements of IAS 23 from a date prior to the date of transition to IFRS to borrowings costs for qualifying assets incurred at the date of transition or later.

The amendment is effective for annual periods beginning on or after 1 January 2013 and retrospective application is required.

This amendment does not apply to the Group.

- **IAS 1 “Presentation of Financial Statements”**

This amendment clarifies that comparative information required by IAS 1 is part of a complete set of financial statements. It also clarifies the minimum requirements for providing comparative financial information when an entity changes accounting policies or makes retrospective restatements or reclassifications of items in its financial statements. In this case, the entity must present a statement of financial position at the beginning of the comparative period (a “third balance sheet”), but is not required to accompany the third balance sheet with related notes. However, if management provides additional comparative information voluntarily in its financial statements (e.g. an income statement for a third year, a third balance sheet), it should present comparative information in the related notes for that additional information. This improvement also amended IFRS 1 “First-Time Adoption of IFRS” to state expressly that a first-time adopter of IFRS should include notes related to all the main statements presented.

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The amendment is effective annual periods beginning on or after 1 January 2013 and retrospective application is required.

This amendment did not have an impact on the consolidated annual accounts.

- **IAS 16 "Property, Plant and Equipment"**

This improvement clarifies that items such as spare parts, stand-by equipment and servicing equipment shall be recognised as property, plant and equipment, and not as inventories, when they meet the definition of property, plant and equipment. As a result of this amendment, stand-by equipment that is expected to be used for more than one year is recognised as property, plant and equipment rather than inventories.

The amendment is effective for annual periods beginning on or after 1 January 2013 and retrospective application is required.

The Group has assessed the impact of this amendment and considers that it has not had a material impact on the consolidated annual accounts.

- **IAS 32 "Financial Instruments: Presentation"**

The amendment resolves a conflict between IAS 32 and IAS 12 "Income Taxes". It clarifies that income tax relating to distributions to holders of an equity instrument and income tax relating to transaction costs of an equity transaction should be accounted for in accordance with IAS 12. Accordingly, income tax relating to distributions is recognised in profit or loss and income tax relating to transaction costs of an equity transaction are recognised in equity.

The amendment is effective for annual periods beginning on or after 1 January 2013 and retrospective application is required.

This amendment did not have an impact on the consolidated annual accounts.

- **IAS 34 "Interim Financial Reporting"**

This amendment aligns the disclosure requirements of IAS 34 and IFRS 8 "Operating Segments". It clarifies that when an entity prepares interim financial information in accordance IAS 34, it only needs to disclose segment assets and segment liabilities when the amounts are regularly provided to the chief operating decision maker and when there has been a material change in the amounts disclosed in the entity's previously annual financial statements.

The amendment is effective for annual periods beginning on or after 1 January 2013 and retrospective application is required.

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This amendment did not have a material impact on the condensed consolidated interim annual accounts for the six months ended 30 June 2013.

Amendment to IFRS 7 "Offsetting Financial Assets and Financial Liabilities"

In December 2011, the IASB issued an amendment to IAS 32 "Offsetting Financial Assets and Financial Liabilities", and an amendment to IFRS 7 "Disclosures - Offsetting Financial Assets and Financial Liabilities".

The amendment to IAS 32 "Financial Instruments: Presentation" changes the guidance of the standard to clarify certain requirements for the set-off of financial assets and financial liabilities in the balance sheet. It did not entail changes in the offsetting model already existing in IAS 32, which is still applicable when, and only when, an entity currently has a legally enforceable right to set off the recognised amounts and the intention to settle on a net basis or realise the asset and settle the liability simultaneously. The amendment clarifies that the right of set-off must be available today rather than being contingent on a future event. In addition, the right must be legally enforceable by the counterparties in the transaction both in the normal course of business and in the event of default, insolvency or bankruptcy. The amendment to IAS 32 is effective for annual periods beginning on or after 1 January 2014 and retrospective application is required. Early application is permitted.

Since the requirements for offsetting financial assets and financial liabilities are still different from US GAAP, the IASB also issued an amendment to IFRS 7 "Financial Instruments: Disclosures". The amendment to IFRS 7 requires the disclosure of quantitative information on recognised financial instruments that have been set off in the balance sheet, as well as on those subject to master netting arrangements or similar, irrespective of whether they are set off in the balance sheet. The amendment to IFRS 7 is effective for annual periods beginning on or after 1 January 2013 and retrospective application is required.

This amendment did not have an impact on the consolidated annual accounts.

b) Standards, amendments and interpretations in issue but not effective that may be adopted early for annual periods beginning on or after 1 January 2013 (IAS 8.29)

At the date of preparation of these consolidated financial statements, the IASB and IFRS Interpretations Committee (IFRIC) had issued the following standards, amendments and interpretations effective for annual periods beginning on or after 1 January 2014. The Group has elected not to early adopt them.

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IFRS 10 "Consolidated Financial Statements"

IFRS 10 introduces changes in the concept of control, which it still considers the determining factor as to whether an entity should be included in the consolidated financial statements. IFRS 10 replaces the guidelines regarding control and consolidation provided in IAS 27 "Consolidated and Separate Financial Statements" and supersedes SIC-12 "Consolidation - Special Purpose Entities", which is thereby repealed.

For control to exist, two factors are required: power over the investee and variable returns. Power is defined as the ability to direct the relevant activities of the entity; i.e. the activities that significantly affect the investee's returns. The standard provides extensive guidance for cases where determining whether control exists or not is difficult, for example when the investors holds less than half of the voting rights of the entity. The concept of the unit composed of the parent and its subsidiaries for the purposes of the consolidated financial statements and the consolidation procedures are broadly unchanged from the IAS 27.

Although the effective date of this standard established by the IASB is for annual periods beginning on or after 1 January 2013, for European Union purposes the effective date is for annual periods beginning on or after 1 January 2014.

Early application is permitted, provided that the entity adopts IFRS 11 "Joint Arrangements", IFRS 12 "Disclosure of Interests in Other Entities", IAS 27 (as amended in 2011) "Separate Financial Statements" and IAS 28 (as amended in 2011) "Investments in Associates and Joint Ventures" at the same time.

This standard is not expected to have a material impact on the consolidated annual accounts.

IFRS 11 "Joint Arrangements"

IFRS 11 provides the accounting treatment for joint arrangements based on the rights and obligations of the arrangement, rather than its legal form. It sets out only two types of joint arrangements: joint operations and joint ventures. In joint operations, the joint operator has rights to the assets and obligations for the liabilities relating to the arrangement, recognising assets, liabilities, revenues and expenses relating to its involvement in the joint operation. In joint ventures, the parties have rights to the net assets of the arrangement, accounting for the investment using the equity method.

Interests in joint ventures can no longer be accounted for using proportionate consolidation.

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Although the effective date of this standard established by the IASB is for annual periods beginning on or after 1 January 2013, for European Union purposes the effective date is for annual periods beginning on or after 1 January 2014. Changes in accounting treatment required by the IFRS 11 are reflected at the beginning of the earliest period presented in the financial statements. The standard contains specific transition guidance for transition from proportionate consolidation to the equity method and vice-versa.

Early application of IFRS 11 is permitted, provided that the entity adopts IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosure of Interests in Other Entities", IAS 27 (as amended in 2011) "Separate Financial Statements" and IAS 28 (as amended in 2011) "Investments in Associates and Joint Ventures" at the same time.

This standard is not expected to have a material impact on the consolidated annual accounts.

IFRS 12 "Disclosure of Interests in Other Entities"

IFRS 12 contains the disclosure requirements for entities that report under the new IFRS 10 "Consolidated Financial Statements" and the new IFRS 11 "Joint Arrangements". In addition, it replaces the previous disclosure requirements included in the former IAS 28 "Investments in Associates" and IAS 31 "Interests in Joint Ventures". The objective of IFRS 12 is to require the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, its interests in other entities, whether subsidiaries, associates, joint arrangements (joint operations or joint ventures) or unconsolidated structured entities and the effects of those interest. Among other requirements, IFRS 12 requires disclosures on:

- The significant judgements and assumptions made in determining the existence of control, joint control or significant influence;
- The composition of the group, including the interest that non-controlling interests have in the group's activities and cash flows;
- The risks associated with its interests in consolidated structured entities, for instance contractual arrangements that could require the group to provide financial support to the entity;
- The accounting treatment of transactions with non-controlling interests in which it retains or losses control of a subsidiary;
- Interests in assets and joint arrangements (similar to the requirements of IAS 28 above); and

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 (In thousands of Euros)

- Regarding interests in unconsolidated structured entities, the nature, purpose, size, activities and financing, financial information on the entity (revenue, assets), recognised assets and liabilities that belong to the structured entities, the maximum exposure to losses from this interest and the financial support provided to the entity or the current intention to provide financial support.

Although the effective date of this standard established by the IASB is for annual periods beginning on or after 1 January 2013, for European Union purposes the effective date is for annual periods beginning on or after 1 January 2014.

To encourage the inclusion of the new IFRS 12 disclosures before the effective date, the standard clarifies that providing some of the disclosures required by IFRS 12 does not compel the entity to comply with all the requirements of this IFRS or to apply IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", IAS 27 (as amended in 2011) "Separate Financial Statements" and IAS 28 (as amended in 2011) "Investments in Associates and Joint Ventures".

The Group is assessing the impact of the new standard, but does not expect it to be significant in relation to the consolidated annual accounts.

Amendment to IAS 27 "Separate Financial Statements"

The requirements previously contained in IAS 27 regarding the preparation of consolidated financial statements are now contained in the new IFRS 10. Therefore, the scope of application of IAS 27 is limited to accounting for investments in subsidiaries, joint ventures and associates in the separate IFRS financial statements of the investment entity, which is unchanged (i.e. accounting at cost or fair value according to the requirements of IFRS 9).

Although the effective date of amended IAS 27 established by the IASB is for annual periods beginning on or after 1 January 2013, for European Union purposes the effective date is for annual periods beginning on or after 1 January 2014.

Early application is permitted, provided that the entity adopts IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", IFRS 12 "Disclosure of Interests in Other Entities" and IAS 28 (as amended in 2011) "Investments in Associates and Joint Ventures" at the same time.

This amendment is not expected to have a material impact on the consolidated financial statements.

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Amendment to IAS 28 "Investments in Associates and Joint Ventures"

IAS 28 has been updated to include references to joint ventures which, under the new IFRS 11 "Joint Arrangements" must be accounted for using the equity method. In addition, information has been added regarding:

- The accounting treatment for instruments containing potential voting rights;
- The measurement of investments in associates and joint ventures held by venture capital organisations, or a mutual fund, unit trust and similar entities;
- Accounting treatment when the interest in the associate or joint venture is reduced, but the entity continues to apply the equity method; and
- The accounting treatment for the contribution of a non-monetary asset to an associate or joint venture in exchange for an equity interest in the associate or joint venture.

Although the effective date of amended IAS 28 established by the IASB is for annual periods beginning on or after 1 January 2013, for European Union purposes the effective date is for annual periods beginning on or after 1 January 2014.

Early application is permitted, provided that the entity adopts IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", IFRS 12 "Disclosure of Interests in Other Entities" and IAS 27 (as amended in 2011) "Separate Financial Statements".

This amendment is not expected to have a material impact on the consolidated annual accounts.

Amendment to IAS 32 "Offsetting Financial Assets and Financial Liabilities"

In December 2011, the IASB issued an amendment to IAS 32 "Offsetting Financial Assets and Financial Liabilities", and an amendment to IFRS 7 "Disclosures - Offsetting Financial Assets and Financial Liabilities".

The amendment to IAS 32 "Financial Instruments: Presentation" changes the guidance of the standard to clarify certain requirements for the set-off of financial assets and financial liabilities in the balance sheet. It did not entail changes in the offsetting model already existing in IAS 32, which is still applicable when, and only when, an entity currently has a legally enforceable right to set off the recognised amounts and the intention to settle on a net basis or realise the asset and settle the liability simultaneously. The amendment clarifies that the right of set-off must be available today rather than being contingent on a future event. In addition, the right must be legally enforceable by the counterparties in the transaction both in the normal course of business and in the event of default, insolvency or bankruptcy. The amendment to IAS 32 is effective for annual periods beginning on or after 1 January 2014 and retrospective application is required. Early application is permitted.

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Since the requirements for offsetting financial assets and financial liabilities are still different from US GAAP, the IASB also issued an amendment to IFRS 7 "Financial Instruments: Disclosures". The amendment to IFRS 7 requires the disclosure of quantitative information on recognised financial instruments that have been set off in the balance sheet, as well as on those subject to master netting arrangements or similar, irrespective of whether they are set off in the balance sheet. The amendment to IFRS 7 is effective for annual periods beginning on or after 1 January 2013 and retrospective application is required.

This amendment is not expected to have a material impact on the consolidated annual accounts.

IFRS 10 (Amendment), IFRS 11 (Amendment) and IFRS 12 (Amendment) "Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transitional Provisions (amendments to IFRS 10, IFRS 11 and IFRS 12)"

The IASB has amended the transitional provisions of IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", and IFRS 12 "Disclosure of Interests in Other Entities" in order to clarify that the initial application date is the first day of the annual reporting period in which IFRS 10 is applied for the first time.

Differences between the control concept in IFRS 10 and IAS 27/ SIC-12 may require consolidation of a previously unconsolidated entity and vice-versa. If the conclusion regarding the need to consolidate changes with the first-time application of IFRS 10, the entity must restate comparative information for the annual period immediately preceding the first annual period for which IFRS 10 is applied based on the analysis, unless it is impracticable to do so. Any difference arising from the application of IFRS 10 at the beginning of the comparative period is recognised in equity.

Meanwhile, when the decision regarding the need to consolidate does not change when IFRS 10 is first applied (i.e. the investment is consolidated in accordance with IAS 27/ SIC-12 and IFRS 10, or not consolidated in accordance with either), no accounting adjustment is required. This transition relief to the new standard applies to investments disposed up before IFRS 10 is applied for the first time.

Comparative disclosures under IFRS 12 are required relating to subsidiaries, associates and joint ventures. However, the disclosures are limited to the comparative period immediately preceding the first annual period for which IFRS 12 is applied for the first time. The disclosure of comparative information for unconsolidated structured entities is not required.

The amendments to these standards are effective for annual periods beginning on or after 1 January 2014, in line with the effective dates of the amended standards. Early adoption is required if the related standards (IFRS 10, IFRS 11 and IFRS 12) are adopted early.

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This amendment is not expected to have a material impact on the consolidated annual accounts.

IFRS 10 (Amendment), IFRS 12 (Amendment) and IAS 27 (Amendments) "Investment Entities"

In certain circumstances, the amendment to IFRS 10 implies that mutual funds, unit trusts, and similar entities are exempt from the requirement to consolidate entities they control. Instead, they are required to measure the investment at fair value through profit or loss. Accordingly, the amendments provide an exemption for entities that meet the definition of "investment entity" and present certain characteristics. Amendments have also been made to IFRS 12 to introduce disclosures that this type of entity is required to include in its consolidated financial statements.

The amendments to these standards are effective for annual periods beginning on or after 1 January 2014. Earlier application is permitted provided all the amendments are adopted at the same time.

This amendment is not expected to have a material impact on the consolidated annual accounts.

c) Standards, amendments and interpretations of existing standards which cannot be adopted early or have not been endorsed by the European Union

At the date of authorisation for issue of these consolidated financial statements, the IASB and IFRIC had issued the following standards, amendments and interpretations, which have yet to be endorsed by the European Union.

Amendment to IAS 19 "Employee Benefits: "Employee Contributions"

The amendment applies to contributions from employees or third parties to defined benefit plans. The objective is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

IAS 19 (as revised in 2011) distinguishes between employee contributions related to service and those not linked to service. The current amendment further distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period. The amendment allows contributions that are linked to service, and do not vary with the length of employee service, to be deducted from the cost of benefits earned in the period that the service is provided.

Contributions that are linked to service, and vary according to the length of employee service, must be spread over the service period using the same attribution method that is applied to the benefits; that means either in accordance with the formula in the pension plan, or, where the plan provides a materially higher level of benefit for service in later years, on a straight line basis.

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The amendment is effective for annual periods beginning on or after 1 July 2014 and retrospective application is required. Early adoption is permitted.

Amendment to IAS 36 "Recoverable Amount Disclosures for Non-Financial Assets"

The IASB has issued a narrow-scope amendment to IAS 36 "Impairment of Assets" addressing the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. The related amendments to the disclosure requirements of IAS 36 were made through IFRS 13 "Fair Value Measurement". The text of one amendment was longer than expected. The amendment corrects this situation and requires additional disclosures on fair value measurements of assets for which an impairment loss or a reversal of an impairment loss has been recognised. Accordingly, the IASB has amended IAS 36:

- to remove the requirement to disclose recoverable amount when a cash-generating unit (CGU) contains goodwill or indefinite lived intangible assets but there has been no impairment;
- to require disclosure of the recoverable amount of an asset or CGU when an impairment loss has been recognised or reversed; and
- to require detailed disclosure of how the fair value less costs of disposal has been measured when an impairment loss has been recognised or reversed.

The amendment is effective for annual periods beginning on or after 1 January 2014 and retrospective application is required. Early adoption is permitted, but not before application of IFRS 13.

Amendment to IAS 39 "Financial Instruments - Novation of Derivatives and continuation of Hedge Accounting" (June 2013)

Under IAS 39, an entity is required to discontinue hedge accounting for a derivative that has been designated as a hedging instrument where the derivative is novated to a central counterparty (CCP); this is because the original derivative no longer exists. The new derivative with the CCP is recognised at the time of the novation.

The IASB has amended IAS 39 to provide relief from discontinuing hedge accounting when novation of a hedging instrument to a CCP meets specified criteria.

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Specifically, the amendments will not result in the expiration or termination of the hedging instrument if:

- as a consequence of laws or regulations, the parties to the hedging instrument agree that a CCP, or an entity (or entities) acting as a counterparty in order to effect clearing by a CCP ('the clearing counterparty'), replaces their original counterparty; and
- other changes, if any, to the hedging instrument are limited to those that are necessary to effect such replacement of the counterparty.

The amendments will apply for annual periods beginning on or after 1 January 2014. Earlier application is permitted.

IFRS 9 "Financial Instruments"

In November 2009, the IASB issued IFRS 9 "Financial Instruments". This marked the first phase in a comprehensive project to replace IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 simplifies the accounting for financial assets and introduces new classification and measurement requirements. It requires financial assets held mainly for cash flows that are payments of principal and interest to be measured at amortised costs, while other financial assets, including financial asset held for trading, are measured at fair value. Therefore, it only requires one impairment model for financial assets measured at amortised cost. In October 2010, the IASB updated IFRS 9 to include guidance on classification and subsequent measurement of financial liabilities and on derecognition of financial instruments. The requirements in this respect are the same as under IAS 39, except for subsequently recognition of a financial liability designated as at fair value through profit or loss.

For such liabilities, changes in fair value related to changes in own credit risk are recognised as income or expenses recognised directly in equity. The amounts recognised in equity are not recycled to the income statement even when they can be reclassified to other items of equity. However, changes in fair value are recognised in profit or loss if at initial recognition of the liabilities this would lead to an inconsistency (mismatch) with the measurement of the related financial assets. The current requirements of IAS 39 regarding impairment of assets and hedging accounting remain applicable at present.

This standard will apply for annual periods beginning on or after 1 January 2013. Earlier application is permitted.

IFRS 9 (Amendment) and IFRS 7 (Amendment) "Mandatory Effective Date and Transition Disclosures"

The IASB published an amendment delaying the mandatory effective date of IFRS 9 "Financial Instruments" to annual periods beginning on or after 1 January 2015. In the original transition provisions, IFRS 9 became effective on 1 January 2013. Early application of IFRS 9 is still permitted.

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The IASB also extended the timeline for completing the remaining phases of the project to replace IAS 39 "Financial Instruments: Recognition and Measurement" (accounting for impairment losses and hedge accounting). This highlights the importance of allowing entities to apply the requirements of all the phases of the project simultaneously.

The amendment to IFRS 9 also introduces changes regarding comparative information and the additional disclosures required when the new standard is adopted, depending on the date it is applied for the first time, as follows:

- If the entity applies IFRS 9 to annual periods beginning on or after 1 January 2012, it is not required to restate comparative amounts or include additional disclosures at the date of initial application;
- If the entity applies IFRS 9 to annual periods beginning on or after 1 January 2012 but before 1 January 2013, it must choose between restated comparative figures or including additional disclosures at the date of initial application;
- If the entity applies IFRS 9 to annual periods beginning on or after 1 January 2013, it is not required to restate comparative amounts, but must additional disclosures at the date of initial application.

Amendment to IFRS 9 "Financial Instruments: Hedge Accounting, and amendments to IFRS 9, IFRS 7 and IAS 39"

As part of the project to replace IAS 39 completely with IFRS 9, the IASB issued "Financial Instruments: Hedge Accounting", which includes IFRS 9 in requirements regarding hedge accounting. These amendments to IFRS 9 contain substantive changes to align hedge accounts more closely with risk management, and so should result in more "decision-useful" information to users of financial statements.

The revised standard also establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39.

The key changes are:

- *Hedge effectiveness tests and eligibility for hedge accounting:* IFRS 9 relaxes the requirements for hedge effectiveness and, consequently to apply hedge accounting. Under IAS 39, a hedge must be highly effective, both prospectively and retrospectively. IFRS 9 replaces this line with a requirement for an economic relationship between the hedged item and hedging instrument, and for the 'hedged ratio' to be the same as the one that the entity uses for risk management purposes.

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- *Hedged items:* The new requirements change what qualifies as a hedged item, primarily removing restrictions that currently prevent some economically rational hedging strategies from qualifying for hedge accounting.

For example:

- Risk components of non-financial items can be designated as hedged items, provided they are separately identifiable and reliably measurable.
 - Aggregated exposures (that is, exposures that include derivatives) can be hedged items.
 - IFRS 9 makes the hedging of groups of items more flexible, although it does not cover macro hedging.
 - IFRS 9 allows hedge accounting for equity instruments measured at fair value through other comprehensive income (OCI), even though there will be no impact on profit and loss from these investments.
- *Hedging instruments:* IFRS 9 relaxes the rules on the use of some hedging instruments.
 - *Accounting, presentation and disclosure:* The accounting and presentation requirements for hedge accounting in IAS 39 remain largely unchanged in IFRS 9. However, entities will now be required to reclassify the gains and losses accumulated in equity on a cash flow hedge to the carrying amount of a non-financial hedged item when it is initially recognised. Additional disclosures are also required under the new standard.

Although not related to hedge accounting, IFRS 9 has also been amended to allow entities to early adopt the requirement to recognise in other comprehensive income the changes in fair value attributable to changes in an entity's own credit risk (from financial liabilities measured at fair value). This can be applied without having to adopt the remainder of IFRS 9.

Lastly, the amendments removed the mandatory effective date of IFRS 9 (1 January 2015), but entities may choose to apply IFRS 9 immediately (not for IFRS-EU, since the European Union has yet to endorse IFRS 9).

IFRS 9 applies retrospectively. However, hedge accounting is to be applied prospectively (with some exceptions).

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IFRIC 21 "Levies"

IFRIC 21 "Levies" is an interpretation of IAS 37 "Provisions, Contingent Assets and Contingent Liabilities" that addresses the accounting for levies imposed by governments that are not income taxes, fines or other penalties for breaches of the law. The main issue is when the entity should recognise a liability for the obligation to pay a levy accounted for in accordance with IAS 37. IAS 37 sets out the conditions for recognising a liability, one of which is when the entity has a present obligation as a result of a past event. The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the event identified by the legislation that triggers the obligation to pay the levy.

The interpretation is effective for annual periods beginning on or after 1 January 2014. Earlier application is permitted.

The Group is assessing the potential impact of these standards, amendments and interpretations when endorsed by the European Union, but estimates that it will not be material with respect to the Group's consolidated annual accounts.

2.2 Consolidation principles

a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Group may choose to recognise any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

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If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability are recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Where necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in the loss of control are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. The difference between the fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals of non-controlling interests are also recorded in equity.

c) Disposals of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

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d) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to "Share of profit/(loss) of associates" in the income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's annual accounts only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in associates are recognised in the income statement.

e) Consolidated annual accounts

The annual accounts of Group companies used in the consolidation process are, in all cases, those corresponding to the annual period ended 31 December of each year.

Note 1 provides details on subsidiaries and associates included in the consolidation scope.

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2.3 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors and the Delegate Committee.

A business segment is a group of assets and operations that provide products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment provides products or services within a particular economic environment that are subject to risks and returns that are different from those of other segments operating in other economic environments.

Financial information by segment is provided in Note 5.

2.4 Foreign currency translation

a) Functional and presentation currency

Items included in the annual accounts of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated annual accounts are presented in euros, which is the Group's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within "Exchange differences (net)".

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

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Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

c) Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

2.5 Property, plant and equipment

Property, plant and equipment are recognised at cost less accumulated depreciation and any accumulated impairment losses, except in the case of land, which is presented net of impairment losses.

Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

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Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

	Years of estimated useful life
Buildings	30 – 50
Technical installations and machinery	10 – 30
Other installations, equipment and furniture	10
Other property, plant and equipment	6 – 15

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.8).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "Other (losses)/gains - net" (Note 28).

2.6 Investment property

Investment properties include land and buildings (industrial premises) which are owned and held to earn rentals or for capital appreciation, and are not occupied by Group companies. Items are carried at acquisition cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated using the straight-line method based on the estimated useful life of the assets, which is between 30 and 50 years.

2.7 Intangible assets

a) Emission rights

Emission rights allocated to subsidiaries in accordance with the National Allocation Plan (Act 1/2005 of 9 March) are recognised as an intangible asset. These rights are measured at fair value (i.e. the market value at the time of the allocation), with a credit to "Deferred income".

Emission rights acquired subsequently to comply with the coverage requirements of greenhouse gas emissions produced by the consolidated companies are measured at acquisition cost.

The deferred income is credited to profit or loss ("Other income") as the emissions related to emission rights received freely are expensed.

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Costs arising from the emission of greenhouse gases are recorded in accordance with the use of the emission rights allocated or acquired as the gases are emitted during the production process, with a credit to the related provision account.

Emission rights recognised as intangible assets are cancelled as a balancing entry of the provision for the costs arising from the emissions produced when they are delivered to the Government to settle the obligations assumed.

b) Computer software

Acquired computer software licences are capitalised on the basis of costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (four to eight years).

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use or sale;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

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Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed six years.

c) Research and development costs

Research expenditure is recognised as an expense as incurred. The costs incurred in development projects (associated with the design and testing of new or product upgrades) are recognised as an intangible asset when the success of the development is deemed probable taking into account its technical and commercial feasibility, management intends to complete the project and has the technical and financial resources to do so and has the ability to use or sell the asset and generate potential economic benefits, and the costs involved may be reliably estimated. Other development expenditures are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Development costs with a finite useful life that have been capitalised are amortised from the start of commercial production on a straight-line basis over the period in which the asset is expected to generate economic benefits, which does not exceed five years.

Development assets are assessed for impairment in accordance with IAS 36.

d) Concessions, patents and licences

Concessions, patents and licences acquired from third parties are shown at historical cost. Concessions, patents and licences acquired in a business combination are recognised at fair value at the acquisition date. These assets have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful lives (four to six years).

2.8 Impairment of non-financial assets

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 (In thousands of Euros)

2.9 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

2.10 Financial assets

2.10.1 Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise "Non-current financial assets", "Trade and other receivables" and "Other current assets" in the balance sheet.

c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

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2.10.2 Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date; i.e. the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in the income statement within "Other (losses)/gains – net" in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of "Other income" when the Group's right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as "Gains and losses from investment securities".

Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement as part of other income. Dividends on available-for-sale equity instruments are recognised in the income statement as part of other income when the Group's right to receive payments is established.

2.10.3 Impairment of financial assets

a) Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

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Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

The impairment tests for receivables are described in Note 2.13.

2.11 Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group did not designate any derivatives as hedging activities in 2013 or 2012 in accordance with the requirements of IFRS 7. Changes in fair value are recognised in the income statement. Trading derivatives are classified as a current asset or liability.

2.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is mainly determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Obsolete or slow moving items are written down to their realisable value.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 (In thousands of Euros)

2.13 Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Financing through the discounting of bills of exchange is not written off from "Trade receivables" until the amounts are collected and is reflected as bank financing. Meanwhile, the Group enters into certain arrangements with banks whereby it transfers all the risks and rewards, as well as control, of the receivables. In these cases, the receivables are derecognised when the risks and rewards are transferred to the bank.

In order to hedge certain customer collection risks, collection insurance contracts are arranged that include the risk of default through the payment of insurance premiums.

2.14 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the consolidated balance sheet, bank overdrafts are shown within borrowings in current liabilities.

2.15 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

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2.16 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.17 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.18 Current and deferred income tax

The parent files consolidated tax returns with certain group subsidiaries (Note 30).

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated annual accounts. However, deferred income tax is not accounted for if it arises from the initial recognition an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. For tax assets arising from investments and R&D&I, the amounts recognised have a balancing entry in deferred income. The amount recorded as a decrease in the expense is accrued over the period during which the items of property, plant and equipment, research costs and investments in R&D&I giving rise to the tax credits are depreciated or amortised.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when, and only when, there is a legally enforceable right to offset the current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.19 Employee benefits

a) Pension obligations

Some Group companies operate pension plans, all of which are defined contribution plans funded through payments to external Voluntary Social Welfare Entities (EPSVs). Plan members are employees of Tubos Reunidos, S.A., Tubos Reunidos Industrial, S.L. (Sociedad Unipersonal) and Productos Tubulares, S.A. (Sociedad Unipersonal) who joined the scheme voluntarily. There were 1,481 members in 2013 and 1,466 members in 2012.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The entity assumes no risk during the capitalisation of contributions, nor does it guarantee a minimum rate of interest to plan members.

The contributions are recognised as employee benefit expense when they are due.

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b) Post-employment obligations

Post-employment benefits are employee benefits that are payable after the completion of employment. Post-employment benefits, including those covered by internal or external pension funds, are classified as defined contribution plans or defined benefit plans based on the terms and conditions of those obligations, taking into account all commitments made, whether within or outside the terms formally agreed with employees.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets and adjustments of unrecognised past service cost. The defined benefit obligation is calculated annually using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in income.

c) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits at the earlier of the following dates: a) when it is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

d) Variable remuneration schemes

The Group recognises a liability and an expense in certain companies for variable remuneration based on formulas that take into consideration business trends and results. The Group recognises a provision where contractually, or for any other reason, obliged to pay this remuneration.

TUBOS REUNIDOS, S.A. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 (In thousands of Euros)

2.20 Provisions

Provisions for specific liabilities and charges are recognised when:

- (i) the Group has a present legal or constructive obligation as a result of past events;
- (ii) it is probable that an outflow of resources will be required to settle the obligation; and
- (iii) the amount has been reliably estimated.

Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.21 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods or services in the ordinary course of the Group's business, stated net of value added tax, returns and discounts and after eliminating intra-group sales. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities. Ordinary revenue is recognised as follows:

a) Sales of goods

Sales of goods are recognised when a Group entity has transferred the significant risks and rewards of ownership to the buyer and retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

b) Sales of services

Revenue from sales of services is recognised in the accounting period in which the services are rendered, by reference to stage of completion of the specific transaction and assessed on the basis of the actual service provided as a proportion of the total services to be provided.

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c) Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised when the cash is collected or on a cost-recovery bases as conditions warrant.

d) Dividend income

Dividend income is recognised when the right to receive payment is established.

2.22 Leases

Finance leases

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

2.23 Dividend distribution

Dividend distribution to shareholders is recognised as a liability in the Group's consolidated annual accounts in the period in which the dividends are approved by the General Meeting of Shareholders and/or the parent's Board of Directors.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 (In thousands of Euros)

2.24 Environment

Costs incurred from business activities designed to protect or improvement the environment are recognised in the period in which they are incurred. These costs are capitalised when the expenses represent additions to items of property, plant and equipment intended to make them more environmentally-friendly and minimise their impact on the environment.

Costs arising from the emission of greenhouse gases (Act 1/2005 of 9 March) are measured at fair value or the cost of the rights granted or acquired and recognised as the gases are emitted during the production process, with a credit to the related provision account.

3. Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk and risk of changes in the prices of raw materials. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the finance departments of each company under the supervision and coordination of the Group's Finance Division and in accordance with policies approved by the Board of Directors. The operating units of the various companies identify, evaluate and hedge financial risks in close co-operation with the Group's General Management.

a) Market risk

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from transactions in foreign currency, primarily with respect to the US dollar. Foreign exchange risk arises mainly when future transactions, mostly commercial, are denominated in a currency other than the euro, which the Group's functional currency.

To manage foreign exchange risk arising from future commercial transactions, Group entities use currency forward contracts. In 2013, these contracts amounted to 79 million US dollars (USD) and 0.6 million pound sterling (GBP) (2012: 84 million USD and 2 million GBP), offsetting the risk of fluctuations in exchange rates for some of its foreign-currency transactions. The Group's currency forward contracts at 31 December 2013 are detailed in Note 10.

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With a 5% appreciation/depreciation of the Euro against the US dollar at 31 December 2013, *ceteris paribus*, profit for the year would have increased/decreased by 720 thousand euros (2012: 1,324 thousand euros) due to exchange gains/(losses) on the translation to euros of trade receivables denominated in US dollars.

(ii) Interest rate risk on borrowings

Exposure of Group companies to interest rate risk is not significant. Long-term borrowings are issued at variable rates. The Group's policy is to monitor these permanently and any hypothetical impact of changes in interest rates on the Group's annual accounts.

Sensitivity of the annual accounts to changes in interest rates is limited to the direct impact of changes in interest rates on interest-bearing financial assets and financial liabilities recognised on the balance sheet. Regarding the sensitivity of the Group's income statement to a 0.5 percentage point increase in interest rates, in 2013 this would lead to an increase of around 12.5% (2012: 12%) in current costs and approximately 9% in finance costs (2012: 7%).

b) Credit risk

Credit risk is managed on group basis. Credit risk arising from amounts of cash, financial assets and deposits is considered low in view of the credit quality of the institutions with which the Group operates.

For risk from sales, the Group has policies in place to ensure that credit risk is hedged and collection ensured for practically all sales carried out.

All Group's customers have a related risk classification. Upon receipt of an order, customer solvency is assessed and risk coverage is requested from the insurance company. For the seamless steel tubes and automotive segments, the insurance contract is arranged with Compañía Española de Seguro de Crédito a la Exportación (CESCE). For the distribution segment, coverage is arranged with Crédito y Caución.

Before an order is accepted, the related credit risk must be covered by CESCE or Crédito y Caución. If not, the order is suspended until another type of risk cover can be obtained, such as: customer guarantee (e.g. confirmed letter of credit, reverse factoring), non-recourse bank discounting (factoring /forfeiting) and, as a final resort, payment in advance. The Group assigns part of its receivables to financial institutions without recourse. Therefore, as it transfers significantly the related risks and rewards, it writes off the amount transferred from the trade receivable. At 31 December 2013, the Group had written off 3,840 thousand euros in respect of a non-recourse factoring contract (2012: no amounts for factoring contracts). The limit on these contracts is 18 million euros.

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In the seamless steel tube segment, 84% of sales were insured by CESCE (2012: 88%), while 10% were covered by customer guarantees through letters of credit (2012: 8%), 3% by non-recourse factoring contracts arranged with financial institutions (2012: 0%) and the remaining 3% were collected in advance (2012: 4%).

In the distribution segment, coverage by Crédito y Caución accounted for 87% of total sales in 2013 (2012: 91%).

As a result, there is no significant concentration of credit risk in the Group, since credit risk is determined mainly by the uncovered percentage in event of insolvency agreed with each insurance company. With CESCE, 90% of commercial risk and 99% of political risk is covered. With Crédito y Caución, 80% of commercial risk is covered.

Potential non-payment must be notified to CESCE within 90 days and Crédito y Caución within 60 days. During this period, the Group negotiates collectability of past-due amounts. If no satisfactory payment agreement is reached, it reports the payment default to the insurance company and recognises a bad debt provision for the uncovered debt.

c) Liquidity risk

Prudent management of liquidity entails maintaining enough cash and marketable securities and available financing through sufficient committed credit facilities and being able to unwind market positions.

In view of the dynamic nature of the business of Group companies, the objective of the finance departments of each, under the coordination of the Group's Finance Division, is to maintain flexibility in funding through the availability of committed credit lines. Moreover, in certain situations, the Group uses liquidity financial instruments (non-recourse factoring, which transfers the risks and rewards of the receivables) to maintain the liquidity levels and working capital structure required in its activity plans.

The liquidity risk of the business is adequately managed through tight control over working capital (current assets less current liabilities), the absence of an excessive concentration of risk in any single financial institution and permanent monitoring of gearing ratios and cash flow generation.

Management monitors the Group's liquidity buffer forecasts based on expected cash flows. The liquidity buffer includes undrawn credit facilities (Notes 21 and 15), cash and cash equivalents (Notes 14 and 15) and current financial assets (Notes 13 and 15).

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The liquidity reserve at 31 December 2013 and 2012 was as follows:

	<u>2013</u>	<u>2012</u>
Liquidity buffer		
Cash and cash equivalents	15,252	19,259
Other current financial assets	10,546	32,036
Undrawn credit facilities	<u>55,027</u>	<u>64,394</u>
Liquidity buffer	<u>80,825</u>	<u>115,689</u>
 Net financial debt		
Bank borrowings	207,622	231,204
Cash and cash equivalents	(15,252)	(19,259)
Other current financial assets	<u>(10,546)</u>	<u>(32,036)</u>
Net financial debt	<u>181,824</u>	<u>179,909</u>

As borrowings include long-term debts on the balance sheet amounting to 169 million euros (2012: 160 million euros) and considering the Group's ability to generate cash flows, the Group does not expect to have an liquidity problems.

The table below analyses the Group's non-current financial liabilities, grouped by maturity, which will be settled in accordance with the remaining periods at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows (included interest payable in the case of bank borrowings).

	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>
At 31 December 2012			
Bank borrowings	62,993	108,013	2,113
Payables	5,150	11,270	13,735
 At 31 December 2013			
Bank borrowings	64,429	96,635	13,063
Payables	5,439	15,464	13,898

Derivative financial instruments not classified as hedges arranged for foreign currency transactions are settled net. Their maturities are detailed in Note 10.

Liquidity management controlled by the finance departments of each of the companies in the Group, coordinated by the Group Financial Management, does not envisage any liquidity problems that cannot be covered by the Group's current or future financial resources.

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d) Risk of changes in the prices of raw materials

The Group protects against the risk of changes in the prices of raw materials, basically steel scraps, through diversification of markets and suppliers, permanent and specific monitoring of supply and demand, and control of inventory volumes.

3.2 Derivatives and hedge accounting

The Group only has foreign exchange derivatives. It does not apply hedge accounting to these as they do not qualify for hedge accounting under IFRS-EU.

The derivatives are initially recognised at fair value on the date the instrument is entered into and subsequently re-measured at their fair value.

Changes in fair value of derivatives that no longer qualify for hedge account are recognised immediately in the income statement.

3.3 Fair value estimation

In accordance with IFRS 7 on financial instruments measured at fair value, the Group provides a breakdown of its estimation of fair value by level using the following fair value hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

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The following table presents the Group's financial assets and liabilities that are measured at fair value at 31 December 2012 and 2013:

2012

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total at 31/12/2012</u>
ASSETS				
Financial assets at fair value through profit or loss:				
- Derivatives	-	1,020	-	1,020
TOTAL ASSETS AT FAIR VALUE	<u>-</u>	<u>1,020</u>	<u>-</u>	<u>1,020</u>
LIABILITIES				
Financial liabilities at fair value through profit or loss:				
- Derivatives	-	-	-	-
TOTAL LIABILITIES AT FAIR VALUE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

2013

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total at 31/12/2013</u>
ASSETS				
Financial assets at fair value through profit or loss:				
- Derivatives	-	957	-	957
TOTAL ASSETS AT FAIR VALUE	<u>-</u>	<u>957</u>	<u>-</u>	<u>957</u>
LIABILITIES				
Financial liabilities at fair value through profit or loss:				
- Derivatives	-	-	-	-
TOTAL LIABILITIES AT FAIR VALUE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. Group companies use a variety of methods, such as estimated discounted cash flows, and make assumptions based on market conditions prevailing at each balance sheet date. These methods include quoted market prices or prices set by financial intermediaries for similar instruments. The fair value of interest rate swaps is calculated as the present value of estimated future cash flows based on estimated interest rate curves. The fair value of forward foreign

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exchange contracts is determined using forward exchange rates at the balance sheet date. The carrying amount of trade receivables and payables are assumed to approximate their fair value. For purposes of presentation of the financial information, the fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

If all significant inputs required to measure a financial instrument at fair value are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

3.4 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other holders of equity instruments. To do so, it attempts to main an optimal capital structured to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings) less cash and cash equivalents and other current financial assets. Total capital is calculated as equity as shown in the consolidated balance sheet plus net debt.

During 2013, the Group's strategy, which was unchanged from 2006, was to maintain the gearing ratio at around 46%. The gearing ratios at 31 December 2012 and 2013 were as follows:

	2013	2012
Total borrowings and other liabilities	239,278	260,803
Less: Cash and cash equivalents and other current financial assets	(25,798)	(51,295)
Net debt	213,480	209,508
Total equity	246,037	243,588
Total capital	459,517	453,096
Gearing ratio	46.46%	46.24%

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4. Accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

1. Income taxes

Given the tax legislation applicable to certain Group companies, there are certain calculations for which the ultimate tax termination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due or the use of certain deductions subject to different interpretations from applicable regulations. Income tax is calculated based on the best estimate of Management regarding the current and future tax legislation (Note 30).

Where the final tax outcome is different from the amounts initially recorded, such differences will impact the income taxes in the period in which such determination is made.

2. Employee benefits

The calculation of the liability recognised in the balance sheet for the Group's defined benefit plans requires the use of a number of assumptions and estimates. The Group estimates the provision necessary to comply with its commitments to employees at the end of each reporting period. Any changes in these assumptions and estimates could result in different amounts.

The estimates and assumptions are re-assessed at the end of each reporting period and adjusted to the new best estimates (Note 23).

3. Valuation of production activities

Based on trends in certain production activities, the Group estimated the necessary provisions to reflect the required expenditure (for the loss in value of assets) in order to adapt installed capacity to the circumstances and market outlook, as well as the decline in value of the related property, plant and equipment and current assets.

The estimates were based on the performance of the businesses over the past few years, and on cost and market trends.

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Accordingly, any improvement considered in product-market circumstances would result in a reduction to the related provisions. This would have a positive effect on profit or loss for the period in which it took place.

In 2013, after re-assessing the provision, the Group recognised a reversal of estimated impairment losses of 150 thousand euros (2012: 514 thousand euros) (Nota 23).

4. Fair value of derivatives and other financial instruments

The fair value of the financial instruments used by the Group, mainly insurance and currency options, is determined based on reports by the financial institutions with which the instruments have been arranged, which are compared by the Company's Finance Division to historical analyses of the financial instruments assessed.

For 2012 and 2013, Management considered that variations of 10% (upwards and downwards) in the estimates made would not have a material impact on the amounts recognised in the annual accounts.

5. Useful lives of property, plant and equipment

Management determines the estimated useful lives and related depreciation charges for its property and equipment. Shorter useful lives than estimated will increase the depreciation charge, while obsolete or non-strategic assets abandoned or sold will be written off or derecognised.

In 2009, based on the new useful life estimate for property, plant and equipment by certain Group subsidiaries, the useful life of certain installations and machinery was increased from 12.5 to 15 years. The gross value of these assets at 31 December 2013 and 2012 amounted to approximately 54 million euros. The effect of this change in estimate for 2013 and beyond is a decrease in the annual depreciation charge of approximately 0.96 million (2012: approximately 0.96 million euros).

In addition, in 2013, based on the new useful life estimate for certain property, plant and equipment arising from the development and manufacture of new products by a Group subsidiary supported by an internal technical study, the useful life of certain installations and machinery was increased from 15 to 20-25 years. The gross value of these assets at 31 December 2013 amounted to approximately 20 million euros. The effect of this change in estimate for 2013 and beyond is a decrease in the annual depreciation charge of approximately 1 million.

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6. Reorganisation plan for the distribution business

As a result of trends in the domestic market in recent years, the Group decided to focus the distribution business exclusively on the industrial segment. This strategic definition of the business required implementing a reorganisation plan that included terminating the tertiary business. In 2012, the Group estimated the provisions necessary to reflect the costs arising from the loss in value of the assets and the adaptation of the structure inherent to this business.

The estimates were based on the performance of the businesses over the past few years, and on cost and market trends. The main effects of the estimates in 2012 and 2013 are included in Notes 11, 12 and 23.

4.2 Critical judgements in applying the entity's accounting policies

The most significant judgements and estimates made in applying the accounting policies described in Note 2 relate to:

- Estimate of provisions for the workforce reduction plan as described in Notes 2.19 and 23.
- Estimate of provisions regarding probable or certain claims or ongoing litigation, or liabilities arising from the Group's activity as described in Notes 2 and 23.

5. Segment information

The Board of Directors and Delegate Committee are the Group's chief operating decision-makers. These bodies review the Group's internal information for the purposes of assessing performance and allocating resources to the segments.

Management has determined the operating segments based on the structure of reports examined by these governing bodies.

These bodies consider the Group's business from both a geographic and product perspective. Operations are analysed from the perspective of three basic product types or families:

- a) Seamless tubes
- b) Distribution
- c) Automotive

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All other products and activities (mainly the manufacture of pressure vessels for boilers and isometric equipment) are analysed by the decision-making bodies under "Other".

Although none of these activities meet the quantitative thresholds required by IFRS 8 to be considered a reportable segment, they are presented as an additional segment since they are analysed this way by the governing bodies.

The governing bodies assess the performance of the operating segments based mainly on a measure of EBITDA. This measurement basis excludes the effects of non-recurring expenditure or expenses resulting from isolated, atypical operations. Segment information received by these bodies includes finance income and finance costs, and tax aspects, although the latter are analysed jointly at Group level.

a) Segment information

Segment results for the year ended 31 December 2013 are as follows:

	Seamless tubes	Distribution	Automotive	Other	Group
Total gross segment revenue	342,714	29,757	48,991	3	421,465
Inter-segment revenue	(59,044)	(2,591)	(9,379)	-	(71,014)
Revenue	283,670	27,166	39,612	3	350,451
EBITDA	37,851	1,105	3,432	(151)	42,237
Operating profit/(loss)	17,211	340	151	(151)	17,551
Net finance costs	(9,699)	(809)	(917)	-	(11,425)
Share of profit/(loss) of associates	(4)	-	-	-	(4)
Profit/(loss) before tax	7,508	(469)	(766)	(151)	6,122
Income tax expense	227	-	(178)	-	49
Non-controlling interests	-	-	472	-	472
Profit/(loss) for the year	7,735	(469)	(472)	(151)	6,643

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Segment results for the year ended 31 December 2012 are as follows:

	Seamless tubes	Distribution	Automotive	Other	Group
Total gross segment revenue	445,429	42,007	50,414	2,233	540,083
Inter-segment revenue	(62,492)	(3,749)	(9,115)	-	(75,356)
Revenue	382,937	38,258	41,299	2,233	464,727
EBITDA	59,600	(12,871)	3,804	(959)	49,574
Operating profit/(loss)	39,006	(15,919)	1,174	(1,293)	22,968
Net finance costs	(8,078)	(1,846)	(344)	(141)	(10,409)
Share of profit/(loss) of associates	(34)	-	-	-	(34)
Profit/(loss) before tax	30,894	(17,765)	830	(1,434)	12,525
Income tax expense	(5,479)	3,881	121	-	(1,477)
Non-controlling interests	-	-	(475)	-	(475)
Profit/(loss) for the year	25,415	(13,884)	476	(1,434)	10,573

Other profit and loss disclosures:

	2013					2012				
	Seamless tubes	Distri- bution	Automotive	Other	Group	Seamless tubes	Distri- bution	Automotive	Other	Group
Depreciation of property, plant and equipment (Note 6)	19,735	435	2,904	-	23,074	19,904	2,328	2,390	334	24,956
Amortisation of intangible assets (Note 7)	893	330	377	-	1,600	678	720	240	-	1,638
Provision/(reversal) for impairment of fixed assets	-	-	-	-	-	-	(2,024)	-	-	(2,024)
Depreciation of investment property (Note 8)	12	-	-	-	12	12	-	-	-	12
Provision/(reversal) for impairment of inventories (Note 11)	1,799	670	-	-	2,469	(339)	5,722	-	-	5,383
Impairment loss (net) of trade receivables (Note 12)	132	(1,041)	164	-	(745)	(169)	4,977	-	-	4,808

Inter-segment transactions are carried out on an arm's length basis.

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Segment assets and liabilities at 31 December 2013 and capital expenditure in the year then ended are as follows:

	Seamless tubes	Distribution	Automotive	Other	(*) Consolidation adjustments	Group
Assets	661,249	36,410	56,545	162	(128,714)	625,652
Associates	47	-	-	-	-	47
Assets held for sale	4,836	-	-	-	-	4,836
Total assets	666,132	36,410	56,545	162	(128,714)	630,535
Liabilities	435,298	14,610	34,443	43	(99,896)	384,498
Capital expenditure (Notes 6 and 7)	44,864	38	2,998	-	-	47,900

(*) Consolidation adjustments relate mainly to eliminations of balances between Group companies.

Segment assets and liabilities at 31 December 2012 and capital expenditure in the year then ended are as follows:

	Seamless tubes	Distribution	Automotive	Other	(*) Consolidation adjustments	Group
Assets	660,692	50,267	56,069	2,648	(94,016)	675,660
Associates	51	-	-	-	-	51
Assets held for sale	11,240	-	-	-	-	11,240
Total assets	671,983	50,267	56,069	2,648	(94,016)	686,951
Liabilities	431,731	56,094	32,654	1,463	(78,579)	443,363
Capital expenditure (Notes 6 and 7)	37,363	-	6,804	-	-	44,167

(*) Consolidation adjustments relate mainly to eliminations of balances between Group companies.

The information provided in this Note covers all the assets (except investments in subsidiaries eliminated in consolidation) and liabilities of each segment according to the balance sheets of each Group company included in each segment.

b) Information on geographical areas and customers

The Group's four business segments operate mainly in three geographical areas, although they are managed globally.

Spain is the Company's home country and where the Group's main operating companies are headquartered.

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The allocation of Group revenue by country of the customer is mainly in the following markets:

	2013	2012
Revenue		
Spain	78,193	101,273
Other EU	102,629	136,214
ROW	169,629	227,240
Total revenue	<u>350,451</u>	<u>464,727</u>

The breakdown of the Group's assets by country is as follows:

	2013	2012
Total assets		
Spain	586,635	654,560
Other EU	-	-
ROW	43,900	32,391
Total assets	<u>630,535</u>	<u>686,951</u>

Investments in associates (Note 9) are included in the Spain segment.

Virtually all investments in property, plant and equipment and other intangible assets were made in plants in Spain (Note 1).

No single customer represents more than 10% of the Group's total ordinary revenue.

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6. Property, plant and equipment

Detail and movements in items of "Property, plant and equipment":

2012

	Land and buildings	Technical installations and machinery	Other installations, equipment and furniture	Under constructio n and advances	Other property, plant and equipment	Total
COST						
Balance at 1 January	160,062	507,856	19,815	6,390	17,946	712,069
Acquisitions	1,693	28,527	4,162	5,317	1,048	40,747
Disposals	(15)	(25,041)	(1,371)	(100)	(281)	(26,808)
Transferred to disposal						
Group	26,203	8,701	1,648	5	2,171	38,728
Transfers	-	4,167	19	(4,248)	62	-
Balance at 31 December	<u>187,943</u>	<u>524,210</u>	<u>24,273</u>	<u>7,364</u>	<u>20,946</u>	<u>764,736</u>
DEPRECIATION						
Balance at 1 January	45,700	343,519	5,835	-	14,699	409,753
Charges	2,459	21,116	684	-	697	24,956
Amounts used	(43)	(24,095)	(187)	-	(229)	(24,554)
Transferred to disposal						
Group	3,023	6,294	1,009	-	2,003	12,329
Balance at 31 December	<u>51,139</u>	<u>346,834</u>	<u>7,341</u>	<u>-</u>	<u>17,170</u>	<u>422,484</u>
PROVISIONS						
Balance at 1 January	178	904	-	-	-	1,082
Amounts used	(178)	(99)	-	-	-	(277)
Transferred to disposal						
Group	1,237	9,001	172	-	91	10,501
Reversals	(236)	(9,001)	(172)	-	(91)	(9,500)
Balance at 31 December	<u>1,001</u>	<u>805</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,806</u>
NET VALUE						
At 1 January	<u>114,184</u>	<u>163,433</u>	<u>13,980</u>	<u>6,390</u>	<u>3,247</u>	<u>301,234</u>
At 31 December	<u>135,803</u>	<u>176,571</u>	<u>16,932</u>	<u>7,364</u>	<u>3,776</u>	<u>340,446</u>

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2013

	Land and buildings	Technical installations and machinery	Other installations, equipment and furniture	Under constructio n and advances	Other property, plant and equipment	Total
COST						
Balance at 1 January	187,943	524,210	24,273	7,364	20,946	764,736
Acquisitions	1,205	22,643	3,990	12,741	1,318	41,897
Disposals	(3,386)	(3,290)	(1,426)	(559)	(1,456)	(10,117)
Transfers	173	5,453	30	(5,584)	(72)	-
Balance at 31 December	<u>185,935</u>	<u>549,016</u>	<u>26,867</u>	<u>13,962</u>	<u>20,736</u>	<u>796,516</u>
DEPRECIATION						
Balance at 1 January	51,139	346,834	7,341	-	17,170	422,484
Charges	2,223	19,812	550	-	489	23,074
Amounts used	(594)	(3,983)	(1)	-	(1,375)	(5,953)
Transfers	-	21	-	-	(21)	-
Balance at 31 December	<u>52,768</u>	<u>362,684</u>	<u>7,890</u>	<u>-</u>	<u>16,263</u>	<u>439,605</u>
PROVISIONS						
Balance at 1 January	1,001	805	-	-	-	1,806
Amounts used	-	(99)	-	-	-	(99)
Balance at 31 December	<u>1,001</u>	<u>706</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,707</u>
NET VALUE						
At 1 January	<u>135,803</u>	<u>176,571</u>	<u>16,932</u>	<u>7,364</u>	<u>3,776</u>	<u>340,446</u>
At 31 December	<u>132,166</u>	<u>185,626</u>	<u>18,977</u>	<u>13,962</u>	<u>4,473</u>	<u>355,204</u>

Investments by the Group in 2013 included the start-up of a degassing facility for the Amurrio steel plant to improve the quality and cleanliness of the steel manufactured and undertake new challenges, and the new induction hardening and tempering line, which will boost treatment capacity of premium tubes. Meanwhile, investments were made to expand the product range at the Galindo plant. The Group carried out work on the main tube manufacturing facilities, reinforced the design and manufacture of tooling and improved the steel quality at the steelworks.

Movements in 2012 included the transfer of 17,549 thousand euros of net assets of the Almesa subgroup (of the distribution segment), which at 31 December 2011 were included under "Assets of disposal group classified as held for sale". In 2012, the Board of Directors decided to reclassify assets, liabilities and profit/(loss) of the distribution business from "held for sale" and "discontinued operations" to "continuing operations" in the consolidated Group. The Group began taking steps in late 2010 to dispose of the distribution business, but the situation and context of the domestic market over the past two years, especially in the tertiary sector (i.e. products targeting the construction sector), coupled with tension in financial markets and difficulties carrying out corporate transactions prevented the sale from being completed.

TUBOS REUNIDOS, S.A. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 (In thousands of Euros)

At 31 December 2011, the reclassified net assets included the recognition of a provision for impairment of 7,849 thousand euros. Following the reclassification of the assets, the provision was reversed as in the current situation there was no evidence that the reclassified assets were impaired. The provision was recognised for the difference between the carrying amount and the estimated selling price for the distribution segments, as required by IFRS 5.

In the first half of 2010, the Group carried out a sale and leaseback transaction, selling a building for 5.5 million euros, which generated a net gain of 1.7 million euros, and leasing back the premises to the buyer under an operating lease with a mandatory 10-year term. During this term, the rent (set initially at approximately 39 thousand euros a month) is updated in accordance with changes in the consumer price index (CPI).

The lease included a purchase option exercisable by the Group at the market price set by an independent expert for the parties upon expiry of the option. Accordingly, the selling price is not considered to be below fair value.

Among the other agreed terms and conditions, all of which are standard in the market for operating leases, there is no clause regarding the transfer of ownership of the premises to the Group at the end of the lease; the Group has the right not to extend the lease beyond the mandatory period. In addition, the entity did not issue any guarantee to the buyer against potential losses from the early cancellation of the lease or potential changes in the residual value of the premises.

For the transaction, the premise was estimated to have a useful life of over 30 years. In addition, both the selling price and the rent were established at their fair market values at the date of the transaction.

The present value of the minimum lease payments in 2010 represented 73% of the fair value of the premise at the transaction date.

a) Revaluations

At 31 December 1996, some Group companies revalued the amounts of their property, plant and equipment at that date in accordance with related legislation (Provincial Law *-Norma Foral-* 4/1997, of 7 February, Provincial Law 6/1996, of 21 November and Royal Decree 2607/1996, of 20 December), with a net impact of 13.7 million euros, including assets classified as held for sale. Since 31 December 2008, the revalued amounts have been fully depreciated.

Group companies located in Spain did not avail of the balance sheet revaluation in line with legislation of 2012 applicable in accordance with their registered offices.

TUBOS REUNIDOS, S.A. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 (In thousands of Euros)

b) Property, plant and equipment subject to guarantees

Certain items of property, plant and equipment guarantee loans and deferred payments to institutions totalling 461 thousand euros at 31 December 2013 (2012: 1,969 thousand euros). The secured debt outstanding at 31 December 2013 was 811 thousand euros (2,459 thousand euros in 2012).

c) Insurance

The Group has taken out insurance policies to cover the risks to which its property, plant and equipment are exposed.

The Group considers that coverage is sufficient.

d) Impairment losses

Due to the business performance and costs of the Group's seamless tube activity, and market trends, in 2003 and 2005 the Group estimated impairment losses on certain items of property, plant and equipment, and inventories related to this business in accordance with the future use of the assets (based on the recoverable amounts using estimates of future cash flows).

The amount included the impairment recognised prior to the voluntary revaluation in 1993 of land and buildings in the distribution segment.

Appraisals by independent third parties did not indicate that any assets in the distribution segment were impaired.

e) Leases

"Machinery" includes the following amounts where the Group is a lessee under a finance lease:

	2013	2012
Cost-capitalised finance lease	2,633	2,633
Accumulated depreciation	(990)	(452)
Net carrying amount	1,643	2,181

The lease payments payable under the finance lease are recognised under "Payables" (current and non-current) (Note 20).

The lease expenditure charged to the income statement in 2013 amounted to 1,272 thousand euros (2012: 1,361 thousand euros) and mainly related to the lease of properties.

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7. Intangible assets

Detail and movements in the main items of "Intangible assets" distinguishing between internally-generated and other intangible assets:

2012

	Emission rights	Computer software	Development costs	Franchises, patents and licences	Customer portfolio	Total
COST						
Balance at 1						
January	2,133	2,646	2,716	663	234	8,392
Additions	772	359	2,191	98	-	3,420
Disposals	(1,297)	-	(20)	-	(189)	(1,506)
Restatements	(456)	-	-	-	-	(456)
Transferred to disposal Group	-	3,410	-	-	452	3,862
Balance at 31						
December	1,152	6,415	4,887	761	497	13,712
AMORTISATION						
Balance at 1						
January	-	1,900	189	517	21	2,627
Charges	-	984	602	52	-	1,638
Amounts used	-	-	-	-	(20)	(20)
Transferred to disposal Group	-	547	-	-	452	999
Balance at 31						
December	-	3,431	791	569	453	5,244
NET VALUE						
At 1 January	2,133	746	2,527	146	213	5,765
At 31 December	1,152	2,984	4,096	192	44	8,468

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2013

	Emission rights	Computer software	Development costs	Franchises, patents and licences	Customer portfolio	Total
COST						
Balance at 1 January	1,152	6,415	4,887	761	497	13,712
Additions	166	530	5,267	40	-	6,003
Disposals	(1,175)	(5)	(72)	-	-	(1,252)
Transfers	-	44	-	-	(44)	-
Balance at 31 December	143	6,984	10,082	801	453	18,463
AMORTISATION						
Balance at 1 January	-	3,431	791	569	453	5,244
Charges	-	608	941	51	-	1,600
Amounts used	-	(1)	-	-	-	(1)
Balance at 31 December	-	4,038	1,732	620	453	6,843
NET VALUE						
At 1 January	1,152	2,984	4,096	192	44	8,468
At 31 December	143	2,946	8,350	181	-	11,620

Additions in 2013 related mainly to developments for the production of higher quality tubes.

Movements in 2012 included the transfer of 2,863 thousand euros of net assets of the Almesa subgroup (of the distribution segment), which at 31 December 2011 were included under "Assets of disposal group classified as held for sale".

8. Investment property

Detail and movements in "Investment property":

	Cost	Depreciation	Net value
Opening balance at 1 January 2012	627	(168)	459
Charges	-	(12)	(12)
Closing balance at 31 December 2012	627	(180)	447
Charges	-	(12)	(12)
Closing balance at 31 December 2013	627	(192)	435

Investment property includes industrial warehouses held to earn rents or for capital appreciation. Income from investment property of a subsidiary in 2013 amounted to 57 thousand euros (2012: 68 thousand euros).

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9. Non-current financial assets

Movements in items of "Non-current financial assets" are set out below:

2012

Details of "Non-current financial assets" showing movements are as follows:

	31 December 2011	Additions	Disposals	31 December 2012
Investments accounted for using the equity method (Note 1)	157	-	(106)	51
Deposits and guarantees	36	85	-	121
Loans and receivables	13,648	101	(415)	13,334
	<u>13,841</u>	<u>186</u>	<u>(521)</u>	<u>13,506</u>

2013

Details of movements in items of "Non-current financial assets":

	31 December 2012	Additions	Disposals	31 December 2013
Investments accounted for using the equity method (Note 1)	51	-	(4)	47
Deposits and guarantees	121	18	(3)	136
Loans and receivables	13,334	3,000	(11,233)	5,101
	<u>13,506</u>	<u>3,018</u>	<u>(11,240)</u>	<u>5,284</u>

Non-current financial assets amounting to 11,233 thousand euros were cancelled early in 2013 to meet funding requirements for the year.

9.1 Investments accounted for using the equity method

Movement in "Investments accounted for using the equity method":

	2013	2012
Balance at 1 January	51	157
Disposals	-	(72)
Share of profit/(loss)	(4)	(34)
Balance at 31 December	<u>47</u>	<u>51</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 (In thousands of Euros)

Landais Outsourcing, S.L. was sold in 2012. The Group's share of the assets, liabilities and profit or loss of companies accounted for using the equity method, all of which are Spanish (Note 1) and none of which are quoted on the stock exchange:

Company	Total						Profit/(loss) for the year attributable to the		Group value	
	2013			2012			Group		Group value	
	Assets	Liabilities	Equity	Assets	Liabilities	Equity	2013	2012	2013	2012
Perimetral Sallen Technologies, S.L.	328	142	186	262	60	202	(4)	(34)	47	51
							(4)	(34)	47	51

9.2 Non-current loans and receivables

Non-current loans and receivables include:

	2013	2012
Deposits, bonds and other financial instruments	4,802	13,195
Other	299	139
	<u>5,101</u>	<u>13,334</u>

Non-current loans and receivables accrued interest in 2013 at 3.82% (2012: 3.14%) and mature in 2015.

Maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets.

9.3 Credit quality of financial assets

Financial assets relate mainly to deposits with and issues of high-quality Spanish financial institutions, whose assets are deposited with renowned Spanish and international entities.

No impairment losses were recognised on these assets in 2013 and 2012.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 (In thousands of Euros)

10. Derivative financial instruments

"Derivative financial instruments" includes currency hedge contracts on foreign-currency transactions:

	2013		2012	
	Assets	Liabilities	Assets	Liabilities
Forward foreign exchange contracts	957	-	1,020	-
	<u>957</u>	<u>-</u>	<u>1,020</u>	<u>-</u>

At 31 December 2013, there were forward foreign exchange contracts for transactions carried out or highly probable for a total amount of 24.9 million US dollars (USD), 0.2 million pound sterling (GBP) and 0.1 million Australian dollars (AUD) (2012: 29.3 million USD and 0.3 million GBP), all maturing in 2014 (for outstanding transactions at 31 December 2013: 14.4 million USD, 0.2 million GBP and 0.1 million AUD in the first quarter and 10.5 million USD in the second).

11. Inventories

	2013	2012
Raw materials and other consumables	40,833	48,900
Work in progress	25,023	26,566
Finished goods	49,263	45,757
Advances to suppliers	167	70
	<u>115,286</u>	<u>121,293</u>

The detail of the cost of inventories recognised as an expense:

	2013	2012
- Purchases	153,714	220,503
- Changes in raw materials and other consumables	8,067	5,900
- Changes in provisions for impairment of work in progress and finished goods:	(855)	(5,449)
- Changes in work in progress and finished goods	(1,108)	5,209
	<u>159,818</u>	<u>226,163</u>

Purchases in foreign currency were made in 2013 and 2012 amounting to 23 million and 29 million euros, respectively.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 (In thousands of Euros)

Changes in provisions for impairment of inventories, to bring them into line with realisable value, in 2013 and 2012:

	Total
At 31 December 2011	6,713
Transferred to disposal Group	879
Charges	6,200
Amounts used	(817)
At 31 December 2012	12,975
Charges	2,469
Write-offs	(3,048)
At 31 December 2013	12,396

The transfer in 2012 of 879 thousand euros related to the provision for impairment of inventories of subgroup Almesa at the time of the reclassification from "Assets of disposal group classified as held for sale" at 31 December 2011 to "Inventories" at 31 December 2012 (Note 6).

Charges to provisions in 2012 included 5,722 thousand euros related to inventories associated with the tertiary business, which was earmarked for sale in accordance with the reorganisation plan. In 2013, the provision used in this connection amounted to 2,389 thousand euros; this was not materially different from the estimate made at 31 December 2012.

Provision charges in 2013 and provisions existing at 31 December 2013 were estimated based on stock rotation statistics and an item-by-item analysis of the Group's inventories considering net recoverable amount of the various inventories affected.

12. Trade and other receivables

	2013	2012
Trade receivables	67,677	98,209
Less: Provision for impairment of receivables	(8,307)	(12,486)
Trade receivables, net	59,370	85,723
Other receivables (employees, public bodies and other debts)	13,444	13,132
Total	72,814	98,855

Receivables are shown at nominal amount, which does not differ from fair value based on discounted cash flows at market rates.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 (In thousands of Euros)

There is no concentration of credit risk with respect to trade receivables, as the Group has a large number of customers distributed across the world (Note 5).

At 31 December 2013, trade and other receivables discounted in financial institutions amounted to 1,225 thousand euros (2012: 5,949 thousand euros), accounted for as a bank loan (Note 21).

The Group manages credit risk by classifying the risk of each customer and arranging insurance for collection of amounts invoiced to customers with CESCE and Crédito y Caución in accordance with the criteria and percentages of cover shown in Note 3.1.b).

Balances outstanding after maturity but within normal collection periods established with customers (between 30 and 120 days) are not considered past-due. At 31 December 2013, there were no outstanding balances beyond the contractual collection periods or normal payment periods not covered by the related impairment provision.

Unimpaired trade receivables relate to independent customers for whom there is no recent history of default. All trade receivables fall due within 12 months (2012: within 12 months).

At 31 December 2013, provisions were recognised for all receivables, whether due or not, whose recover was considered doubtful at that date. The amount of the provision for impairment was determined based on an estimate of the reasonable loss corresponding to each customer less amounts whose recovery is guaranteed by the insurance companies.

Details by amounts and items of provisions for impairment losses in 2012 and 2013:

	Total
At 31 December 2011	3,717
Charges	5,616
Amounts used	(808)
Write-offs	(319)
Transferred to disposal Group	4,280
At 31 December 2012	12,486
Charges	906
Amounts used	(1,651)
Write-offs	(3,434)
At 31 December 2013	8,307

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The transfer in 2012 of 4,280 thousand euros related to the provision for impairment of receivables of subgroup Almesa at the time of the reclassification from "Assets of disposal group classified as held for sale" at 31 December 2011 to "Trade and other receivables" at 31 December 2012 (Note 6).

Impaired receivables relate mainly to balances with specific collection problems identified individually. Based on collection management, the Group expects to recover a high percentage (unspecified at present) of these receivables. The remaining receivables do not include any impaired assets. Charges in 2012 included 4,118 thousand euros in relation to receivables from the tertiary sector.

The credit quality of unimpaired trade receivables can be considered satisfactory, as in virtually all cases the risks are accepted and covered by credit risk insurance companies and/or banks and financial institutions.

Maximum exposure to credit risk at the reporting date is the fair value of each receivable detailed above, considering the aforementioned credit insurance coverage.

Carrying amounts of the Group's foreign currency receivables by currency:

	<u>2013</u>	<u>2012</u>
US dollar	17,635	32,544
Pound sterling	125	887
Other currencies	2,635	2,231
	<u>20,395</u>	<u>35,662</u>

The ageing of past-due balances at 31 December 2012 and 2013 is as follows:

	<u>2013</u>	<u>2012</u>
Up to 3 months	11,779	14,210
3 to 6 months	2,721	2,129
	<u>14,500</u>	<u>16,339</u>

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The ageing of the provision for bad debts at 31 December 2012 and 2013 from continuing operations is as follows:

	2013	2012
Provision for balances up to 3 months past due	4,333	1,179
Provision for balances 3 to 6 months past due	3,974	11,307
	<u>8,307</u>	<u>12,486</u>

13. Other current financial assets

	2013	2012
Balance at 1 January	32,036	47,739
Net movement in the year	(21,490)	(16,813)
Fair value adjustment	-	1,110
Balance at 31 December	<u>10,546</u>	<u>32,036</u>

The detail of current financial assets classified as loans and receivables at 31 December 2013 and 2012 is as follows:

	2013	2012
Short term time deposits and reverse repurchase agreements with fixed income securities	9,589	31,016
Derivative financial instruments (Note 10)	957	1,020
	<u>10,546</u>	<u>32,036</u>

The average return on these investments in 2013 was 3.82% (2012: 3.14%).

14. Cash and cash equivalents

	2013	2012
Cash at bank and in hand	15,252	19,259
	<u>15,252</u>	<u>19,259</u>

15. Non-current assets held for sale

"Non-current assets held for sale" relates to certain investment properties classified as held for sale after decisions adopted by the Company's Board of Directors at its meeting held 22 December 2010.

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In 2013, based on the outstanding amount payable at 31 December 2012 to the government of approximately 12 million euros pursuant to an order by the regional government of Alava (Diputación Foral de Álava) with respect to rulings by the European Union Court of Justice of June and July 2011 claiming reimbursement of certain subsidies received in previous years, the Group delivered investment properties in lieu of payment included under this heading at 31 December 2012, for 6,267 thousand euros, and other properties included under "Property, plant and equipment", for 2,679 thousand euros. The transaction generated a gain in the income statement of 2,871 thousand euros (Note 28).

The Group measures investment property at the lower of acquisition cost and fair value less costs to sell. Fair value is estimated based on recent transactions and studies by independent experts.

16. Share capital and premium

	No. of shares (thousand)	Share capital	Share premium	Treasury shares	Total
Balance at 31 December 2011	174,681	17,468	387	(5,512)	12,343
Acquisition of treasury shares	-	-	-	(850)	(850)
Sale of treasury shares	-	-	-	1,749	1,749
Balance at 31 December 2012	174,681	17,468	387	(4,613)	13,242
Acquisition of treasury shares	-	-	-	(590)	(590)
Sale of treasury shares	-	-	-	982	982
Balance at 31 December 2013	174,681	17,468	387	(4,221)	13,634

a) Share capital

There were no changes in share capital in 2012 or 2013. Therefore, the total number of ordinary shares amounts to 174,680,888 shares, with a par value of 0.1 euros per share.

Companies with an ownership interest of 10% or more:

<u>Company</u>	2013 and 2012	
	Number of shares	% ownership interest
Grupo BBVA	40,881,325	23.40%
	40,881,325	23.40%

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All the shares of the parent are admitted to trading on the Bilbao and Madrid stock exchanges. Since 1 July 2005, the shares are traded on the "open market" of the stock exchange interconnection system (Sistema de Interconexión Bursátil or SIBE). The share price at 31 December 2013 was 1.77 euros (31 December 2012: 1.79 euros).

b) Share premium

The balance of the share premium account is unrestricted.

c) Treasury shares

2012

	Number of shares	Amount (thousands of euros)
Balance at 1 January	2,855,140	5,512
Acquisitions	499,597	850
Sales	(945,787)	(1,749)
Balance at 31 December	2,408,950	4,613

On 3 May 2012, authorisation was given at the General Meeting of Shareholders to acquire treasury shares up to the maximum amount allowed by law. This authorisation is valid for a period of up to five years.

At 31 December 2012, Clima S.A.U., with which the Company has a liquidity contract, held 2,408,950 shares worth 4,613 thousand euros.

2013

	Number of shares	Amount (thousands of euros)
Balance at 1 January	2,408,950	4,613
Acquisitions	344,436	590
Sales	(543,590)	(982)
Balance at 31 December	2,209,796	4,221

On 30 May 2013, authorisation was given at the General Meeting of Shareholders to acquire treasury shares up to the maximum amount allowed by law. This authorisation is valid for a period of up to five years.

At 31 December 2013, Clima S.A.U., with which the Company has a liquidity contract, held 2,209,796 shares worth 4,221 thousand euros.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 (In thousands of Euros)

17. Other reserves and retained earnings

The detail of "Other reserves and retained earnings" is as follows:

	2013	2012
Other reserves	48,924	48,924
Retained earnings	176,053	173,469
	<u>224,977</u>	<u>222,393</u>

a) Reserves of the parent

At 31 December 2013 and 2012, reserves (excluding issue premium) included in the parent's annual accounts are as follows:

	2013	2012
Legal reserve	4,099	4,099
Voluntary reserve	49,732	46,756
	<u>53,831</u>	<u>50,855</u>

Legal reserve

The legal reserve was provisioned in accordance with Section 274 of the Capital Enterprises Act (Ley de Sociedades de Capital), which states that an amount equal to 10% of the profit for the year shall in any event be earmarked for the legal reserve until such reserve represents at least 20% of the capital.

The legal reserve cannot be distributed and may be used to offset losses if no other sufficient reserves are available for such purpose, in which case it must be replaced with future profits.

The legal reserve exceeded the legal limit at 31 December 2013 and 2012.

Voluntary reserve

There are no restrictions on the voluntary reserve.

b) Reserve for first-time conversion

"Other reserves" relates to the impact of the first-time conversion of the opening balance sheet at 1 January 2004 and the adoption of IAS 32 and IAS 39 with effect from 1 January 2005.

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c) Other restricted reserves

Other restricted reserves and retained earnings at 31 December 2013 and 2012 relate to:

	2013	2012
Legal reserve of investees	9,912	8,114
Balance sheet revaluation reserve (in accordance with local legislation)	643	732
	<u>10,555</u>	<u>8,846</u>

The legal reserve was provisioned in accordance with Section 274 of the Capital Enterprises Act to offset losses.

d) Proposal for the distribution of results

The proposal for distribution the parent's 2013 profit (based on unconsolidated balances prepared in accordance with the Spanish General Accounting Plan) that will be presented to General Meeting of Shareholders, alongside the approved distribution for 2012, is as follows:

	2013	2012
Basis of distribution		
Profit for the year	<u>3,412</u>	<u>6,933</u>
Distribution		
To reserves	268	2,915
To dividends	<u>3,144</u>	<u>4,018</u>
	<u>3,412</u>	<u>6,933</u>

e) Share options

There were no share-based payment plans including shares of the parent at 31 December 2013 or 2012.

18. Non-controlling interests

Movements in "Non-controlling interests" in 2012 and 2013 are as follows:

	2013	2012
Opening balance	11,228	13,604
Changes in consolidation scope (TR-Lentz) (Note 1)	-	(2,851)
Profit/(loss) for the year	(472)	475
Other changes	(103)	-
Closing balance	<u>10,653</u>	<u>11,228</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 (In thousands of Euros)

The breakdown by company is as follows:

Company/Subgroup	2013	2012
Inauxa (Note 1)	10,836	10,653
EDAI (Note 1)	(183)	575
	<u>10,653</u>	<u>11,228</u>

19. Deferred income

The detail of "Deferred income" is as follows:

	2013	2012
Tax credits arising from investment deductions	9,617	7,965
Other deferred income	1,329	1,404
	<u>10,946</u>	<u>9,369</u>

The movement in "Tax credits arising from investment deductions" is as follows:

	2013	2012
Opening balance	7,965	5,185
Arising in the year	2,893	4,636
Credit to profit for the year (Note 25)	(822)	(571)
Restatement	(419)	(1,285)
Closing balance	<u>9,617</u>	<u>7,965</u>

Tax assets generated by the Group are recognised and taken to profit and loss in accordance with the criteria described in Note 2.18.

20. Payables

a) Other non-current liabilities

The detail and amounts of "Other non-current liabilities" are as follows:

	2013	2012
Finance lease liabilities	1,096	1,633
Suppliers of fixed assets	3,922	3,070
Public bodies	16,705	8,683
Other payables	12,065	13,757
	<u>33,788</u>	<u>27,143</u>

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"Other payables" includes main loans from official bodies at preferential rates amounting to 11.7 million euros (2012: 13.1 million euros) mostly to fund research and development projects.

"Public bodies" at 31 December 2013 and 2012 include long-term amounts payable.

The interest on finance leases in 2013 was 3.57% (2012: 3.4%).

a.1) Leases

Lease liabilities have the following maturities:

	2013	2012
Finance lease liabilities - minimum payments:		
No later than 1 year	606	724
Later than 1 year and no later than 2 years	562	625
Later than 2 years and no later than 5 years	650	1,214
	1,818	2,563
Future finance charges on finance lease liabilities	(173)	(261)
Present value of finance lease liabilities	1,645	2,302

The present value of future finance lease liabilities is as follows:

	2013	2012
No later than 1 year	549	660
Later than 1 year and no later than 2 years	509	558
Later than 2 years and no later than 5 years	587	1,084
	1,645	2,302

Amounts payable within one year are included in "Suppliers and other payables".

The following table provides a summary of the lease terms of finance leases in force at 31 December 2012 and 2013:

2012

Item	Term	Cost	Value of purchase option	Lease payments made (1)
Machinery	5 years	2,633	47	452
		2,633	47	452

(1) Includes the finance charge paid in each payment.

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2013

Item	Term	Cost	Value of purchase option	Lease payments made (1)
Machinery	5 years	2,633	47	991
		<u>2,633</u>	<u>47</u>	<u>991</u>

(1) Includes the finance charge paid in each payment.

The arrangements do not require any specific guarantees other than the solvency of the Company/Group.

a.2) Other non-current liabilities

The maturity schedule of all other non-current liabilities is as follows:

	2013	2012
Later than 1 year and no later than 2 years	4,971	4,864
Later than 2 years and no later than 5 years	14,451	9,418
Later than 5 years	13,270	11,228
	<u>32,692</u>	<u>25,510</u>

b) Suppliers, other payables and other current liabilities

The detail and amounts of "Suppliers, other payables and other current liabilities" are as follows:

	2013	2012
Suppliers	63,449	75,156
Salaries payable	6,809	13,890
Other payables	7,893	22,793
Suppliers of fixed assets	13,079	9,847
	<u>91,230</u>	<u>121,686</u>
Other current liabilities	<u>22</u>	<u>56</u>

At 31 December 2012, "Other payables" included an amount of approximately 12 million euros pursuant to an order by the regional government of Alava (Diputación Foral de Álava) with respect to rulings by the European Union Court of Justice of June and July 2011 claiming reimbursement of certain subsidies received in previous years.

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Part of the amounts sought were repaid in 2012, leaving an outstanding balance of the amount indicated at 31 December 2012. In 2013, the amount was repaid via the contribution of certain properties (Note 15).

"Other payables" includes current balances with public bodies.

The fair value of these liabilities (calculated using discounted cash flows) does not differ from their carrying amounts.

"Salaries payable" at 31 December 2012 and 2013 include mainly the December payroll, variable remuneration accrued in the year and other fixed remuneration items established in accordance with the collective labour agreement. In addition, at 31 December 2012 this item included approximately 2.3 million euros of overheads related to the tertiary business (Note 4).

Information on late payments to commercial suppliers, third additional provision. "Duty of disclosure" of Law 15/2010, of 5 July.

The detail of payments to suppliers made and outstanding at 31 December 2013 with respect to the statutory limits set out in Law 15/2010 is as follows:

	Payments made and outstanding at the reporting date			
	2013		2012	
	Thousand s of euros	%	Thousands of euros	%
Payments made in the year within the statutory limit	170,837	70%	248,932	81%
Other	71,849	30%	43,585	19%
Total payments in the year	242,686	100%	292,517	100%
Average late payment days	26		16	
Payments outstanding at 31 December beyond the statutory limit	66,778		26,691	

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 (In thousands of Euros)

21. Borrowings

	2013	2012
Non-current		
Bank borrowings	169,054	160,185
	<u>169,054</u>	<u>160,185</u>
Current		
Current portion of non-current loans	34,609	41,561
Import trade finance	296	3,792
Amounts drawn on credit accounts	430	17,422
Unmatured discounted bills	1,225	5,949
Interest payable and other	2,008	2,295
	<u>38,568</u>	<u>71,019</u>
Total other borrowings	<u>207,622</u>	<u>231,204</u>

As indicated in Note 3.1.a).ii), the Group's exposure to interest rate risk is limited. Therefore, it does not use financial instruments to hedge the interest rate of its variable rate loans.

In 2013, the Group arranged a 45 million euros loan facility with the European Investment Bank to carry out certain investment projects, of which it had drawn down 30 million euros at year-end. The facility bears interest at the Euribor plus a market spread. Financing is subject to compliance with certain covenants (financial ratios). Therefore, the Group must obtain specific key performance indicators.

The average effective interest rates in the year were as follows:

	%	
	2013	2012
Bank loans and borrowings	3.8%	3.9%
Suppliers of fixed assets	3.3%	3.4%
Import trade finance	3.7%	3.8%
Discounted bills	2.9%	2.7%

Non-current borrowings have the following maturities:

	2013	2012
Later than 1 years and no later than 2 years	62,552	60,570
Later than 2 years and no later than 5 years	93,820	97,878
Later than 5 years	12,682	1,737
	<u>169,054</u>	<u>160,185</u>

The carrying amount of all the Group's borrowings is denominated in euros.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 (In thousands of Euros)

The carrying amounts and fair values (estimated based on discounting the cash flows from the borrowings at market rates) of current and non-current borrowings do not differ significantly, as the amounts payable in all cases bear interest at market rates.

The Group has the following undrawn credit facilities (including those of the disposal group):

	2013	2012
Variable rate:		
– with maturity within 1 year	49,624	43,394
– with maturity after 1 year	5,403	21,000
	<u>55,027</u>	<u>64,394</u>

22. Deferred income tax

The detail of "Deferred tax assets" by origin is as follows:

	2013	2012
Temporary differences	6,903	8,926
Tax losses	10,032	16,011
Unused tax credits and other	22,323	16,464
Total	<u>39,258</u>	<u>41,401</u>

The Group has unused tax credits for tax losses, temporary differences and tax deductions. Investment tax credits are taken to profit or loss over the period during which the related items of property, plant and equipment generating the tax credits are depreciated (Notes 2.18 and 19).

Deferred tax assets arising on tax losses and other unused tax credits are recognised to the extent that the realisation of the related tax benefit through future taxable profit is probable.

The amounts of deferred income tax assets are as follows:

	2013	2012
Deferred tax assets		
– Deferred tax assets to be recovered in more than 12 months	38,120	32,404
– Deferred tax assets to be recovered within 12 months	1,138	8,997
	<u>39,258</u>	<u>41,401</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 (In thousands of Euros)

Movements in deferred tax assets in 2012 and 2013 are as follows:

Deferred tax assets	Temporary differences	Tax losses	Unused tax credits	Total
At 31 December 2011	8,717	5,332	11,119	25,168
Arising in the current and prior years	2,079	10,679	6,999	19,757
Transferred to disposal Group	-	6,726	-	6,726
Applied/Derecognised	(1,870)	(6,726)	(1,654)	(10,250)
At 31 December 2012	8,926	16,011	16,464	41,401
Arising in the current and prior years	169	1,860	-	2,029
Credits recognised as deferred income (Note 19)	-	-	2,893	2,893
Credits recognised as other income (Note 25)	-	-	1,856	1,856
Credits recognised as income tax received (Note 30)	-	-	1,169	1,169
Applied/Derecognised	(2,192)	(7,839)	(59)	(10,090)
At 31 December 2013	6,903	10,032	22,323	39,258

The transfer under "Tax losses" in 2012 related to the tax asset of the distribution segment classified under "Assets of disposal group classified as held for sale" at 31 December 2011 (Note 6).

Tax losses derecognised in 2013, amounting to 7,839 thousand euros, related to the offset of tax losses according to the definitive consolidated income tax statement filed in July 2013 with income tax payables at 31 December 2012 (based on the estimate of tax expense) under "Current tax liabilities" and "Suppliers and other payables" (the latter for 2,891 thousand euros).

Temporary differences relate mainly to provisions for taxes, which will be tax deductible expenses in future periods.

At 31 December 2013, the Group had tax loss carryforwards amounting to 11,095 thousand euros of the tax charge, of which 1,063 thousand euros had not be recognised. Recognised tax losses and credits expire in 2028.

The Group had unused tax credits at 31 December 2013 amounting to 23,867 thousand euros, of which 1,544 thousand euros had not be recognised.

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Deferred tax liabilities relate to the tax effect of the revaluation of land in application of IFRS 1 at 1 January de 2004. Movements in 2012 and 2013 were as follows:

	<u>Amount</u>
Balance at 31 December 2011	17,646
Transferred to disposal Group	3,977
Other	298
Balance at 31 December 2012	21,921
Other	(53)
Balance at 31 December 2013	21,868

The transfer of the deferred tax liability related to the deferred tax liability of the distribution segment classified under "Assets of disposal group classified as held for sale" at 31 December 2011 (Note 6).

23. Provisions

Non-current

	<u>Workforce reduction plan</u>	<u>Production activities</u>	<u>Other</u>	<u>Total</u>
At 31 December 2011	9,650	1,162	15,930	26,742
Charged/(credited) to the income statement:				
Charges	1,345	-	7,465	8,810
Amounts used in the year	-	(514)	-	(514)
Unwinding/payments	-	-	(14,286)	(14,286)
Transfers	(3,327)	-	-	(3,327)
At 31 December 2012	7,668	648	9,109	17,425
Charged/(credited) to the income statement:				
Charges	1,698	-	480	2,178
Amounts used in the year	-	(150)	(59)	(209)
Unwinding/payments	-	-	(872)	(872)
Transfers	(3,148)	-	-	(3,148)
Other	(191)	-	-	(191)
At 31 December 2013	6,027	498	8,658	15,183

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 (In thousands of Euros)

Current

	Workforce reduction plan	Other	Total
At 31 December 2011	3,985	19,527	23,512
Charged/(credited) to the income statement:			
Charges	-	5,000	5,000
Amounts used in the year	-	(271)	(271)
Cancellations/payments	(3,696)	(6,162)	(9,858)
Transfers	3,327	(12,099)	(8,772)
At 31 December 2012	<u>3,616</u>	<u>5,995</u>	<u>9,611</u>
Charged/(credited) to the income statement:			
Charges	-	248	248
Amounts used in the year	-	(4,500)	(4,500)
Cancellations/payments	(3,403)	(1,265)	(4,668)
Transfers	3,148	-	3,148
At 31 December 2013	<u>3,361</u>	<u>478</u>	<u>3,839</u>

- a) "Workforce reduction plan" includes mainly the estimated cost for adapting and lowering the average age of the workforce included in the Group's Competitiveness Plan. Initially, the Group reached agreements affecting 292 workers entailing temporary benefits until they reached the estimated age of retirement. These agreements covered the 2004-2009 period, with final maturity of the payments in 2014. Then, from 2009 to 2013, new redundancy agreements were reached with 314 workers, covering severance in the 2009-2012 period, with final maturity of payments in 2016, and the 2013-2018 period, with final maturity of the payments in 2022.

Given the scant effect of discounting and of changes in actuarial assumptions, the Group recognised the related costs in 2012 and 2013 under employee costs.

The financial actuarial assumptions used were as follows:

	2013	2012
Discount	0.99%-1.19%	0.66%-0.86%
Mortality rate	PERM 2000P	PERM 2000P
Benefit growth rate	2%	2%
Retirement age	65	65
Accrual method	PUC	PUC

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The discount rate was determined base on high-quality (AA-rated) corporate bonds denominated in euros that match the duration of the benefits (between 1.7 and 2.6 years) (source: Bloomberg).

- b) "Provisions for production activities" related mainly to the cost of environmental restoration works at plants in the dismantling of a productive activity in Group company Productos Tubulares, S.A.U. (Note 1).
- c) At 31 December 2011, based on the best estimate of the amounts and maturities, the Group included under "Non-current provisions - Other provisions" and "Current provisions - Other provisions" amounts of 12,989 thousand and 18,748 thousand euros, respectively, pursuant to an order by the regional government of Alava (Diputación Foral de Álava) with respect to rulings by the European Union Court of Justice of June and July 2011 claiming reimbursement of certain subsidies received in previous years. In 2012, the government notified the Group of the definitive amounts it had to reimburse; these did not differ from the Group's estimate. At 31 December 2012, approximately 12 million euros of the amount demanded was outstanding, recognised under "Other payables" in current liabilities (Note 20 b.). This amount was paid in 2013.

In addition, "Other provisions" under current and non-current liabilities includes the costs of CO₂ emission in the production process, which amounted to 460 thousand euros (2012: 528 thousand euros), as the emissions entail usage of the emission rights allocated (Note 37.b)). Also included are provisions to cover costs, losses and probable or certain liabilities related to ongoing litigation or other obligations arising as the Group carries out its activity. In 2013, pursuant to the ruling in a lawsuit involving a Group company, a reversal of 4.5 million euros was recognised in connection with the surplus provision recognised the year before (Note 28).

24. Operating income

	2013	2012
Sale of goods	350,451	464,727
Total ordinary income	350,451	464,727

Virtually all amounts in foreign currency invoiced to customers in 2013 were in US dollars, and amounted to 119 million euros (2012: 181 million euros).

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25. Other income

	2013	2012
Worked carried out by the Group for assets	5,852	2,769
Other operating income	10,204	7,766
	<u>16,056</u>	<u>10,535</u>

An amount of 460 thousand euros related to emission rights used was taken to profit and loss in 2013 (Note 2.7) (2012: 528 thousand euros).

"Other operating income" included investment tax credits taken to profit and loss in 2013 of 440 thousand euros (Note 19) and the recognition of R&D in 2013 of 2,238 thousand euros (of which 382 thousand euros are explained in Note 19) (2012: 2,410 thousand euros, of which 571 thousand euros are explained in Note 19) relating to tax incentives available in current legislation for carrying out R&D&I projects. These projects were classified as R&D&I by official bodies, as required by current regulations, and have been successfully implemented in the Group's production chain. Also included are government grants, insurance claims and other minor items.

26. Employee benefit expense

	2013	2012
Wages and salaries	74,729	86,885
Social security costs	19,043	19,637
Contributions and charges for pensions	2,180	2,123
	<u>95,952</u>	<u>108,645</u>

The average number of employees of the Group by professional category and members of the Board of Directors is as follows:

	2013	2012
Manual Labour	1,092	1,189
Employees	541	612
Directors	10	11
	<u>1,643</u>	<u>1,812</u>

The breakdown by gender at 31 December 2012 and 2013 is as follows:

	2013			2012		
	Women	Men	Total	Women	Men	Total
Manual Labour	43	1,049	1,092	43	1,161	1,204
Employees	143	399	542	155	416	571
Directors	1	9	10	1	10	11
	<u>187</u>	<u>1,457</u>	<u>1,644</u>	<u>199</u>	<u>1,587</u>	<u>1,786</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 (In thousands of Euros)

27. Other expenses

The detail of "Other expenses" is as follows:

	2013	2012
External services	76,037	93,103
Taxes	536	723
Losses, impairment and changes in trade provisions	(745)	4,727
Other operating expenses	1,991	1,729
	<u>77,819</u>	<u>100,282</u>

28. Other (losses)/gains - net

The detail and amounts of "Other (losses)/gains - net" are as follows:

	2013	2012
Gains/(losses) on disposal of fixed assets and assets held for sale, net	3,706	(462)
Non-recurring income	308	-
Reversal of provisions	5,305	9,864
	<u>9,319</u>	<u>9,402</u>

The reversal of provisions, for 9.9 million euros in 2012, related mainly to reversals for the impairment of property, plant and equipment of the distribution segment (Note 6). The reversal of provisions for 2013 related mainly to the reversal of 4.5 million euros following the ruling over a lawsuit involving a Group subsidiary (Note 23).

29. Finance income and costs

	2013	2012
Finance income		
– Dividends and other	1,170	1,613
– Net gains/(losses) on foreign currency transactions	(2,405)	433
– Gains/(losses) on disposal of financial instruments	-	73
Finance costs		
– Interest on loans and bank borrowings	(10,190)	(12,528)
Share of profit/(loss) of associates and joint ventures accounted for using the equity method	(4)	(34)
	<u>(11,429)</u>	<u>(10,443)</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 (In thousands of Euros)

30. Income tax expense

	2013	2012
Current tax	(898)	-
Deferred tax	947	(1,477)
	<u>49</u>	<u>(1,477)</u>

The parent has filed a consolidated tax return since 1998. The composition of the tax group at present is as follows:

- Tubos Reunidos, S.A. (parent)
- Tubos Reunidos Industrial, S.L.U.
- Productos Tubulares, S.A.U.
- Tubos Reunidos Comercial, S.A.
- Aplicaciones Tubulares, S.L.
- Clima, S.A.U.

The Group's income tax expense differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the Group companies as follows:

	2013	2012
Profit before tax	6,122	12,525
Recognition in income of tax criteria and R&D (Note 25)	(2,678)	(2,410)
Consolidation adjustments excluding tax effect	(857)	(7,849)
Consolidated tax base	<u>2,587</u>	<u>2,266</u>

The breakdown of income tax expense is as follows:

	2013	2012
Tax calculated at tax rates applicable to profits of each consolidated company (*)	(723)	(140)
Tax deductions arising in the year (Nota 22)	(1,169)	(651)
Derecognition of tax credits for tax losses	-	5,538
Adjustments to the estimate of tax in respect of the prior year	113	(1,851)
Amounts derecognised	-	-
Consolidation adjustments and other	1,730	(1,419)
Income tax expense	<u>(49)</u>	<u>1,477</u>

(*) At 31 December 2012, tax income and expenses at nominal tax rates, calculated individually for each company, amounted to 9,104 thousand and 8,964 thousand euros, respectively. At 31 December 2013, certain Group companies contributing losses, amounting to 1,210 thousand euros, did not receive the related tax income.

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Tax legislation applicable to corporation tax for 2013 is Provincial Law 24/1996, of 5 July, and subsequent amendments.

The Company's directors calculated the amounts of this tax in 2013 and the years open to inspection in accordance with provincial regulations in force at the end of each reporting period, considering that the final outcome of the various legal proceedings and related appeals lodged would not have a material impact on the consolidated annual accounts taken as a whole.

The Company has applied prevailing tax legislation at all times. The impact of any ruling, if issued, would in no case be material for the amounts recognised in the accompanying consolidated annual accounts.

The years open to inspection for applicable taxes varies among Group companies, although they generally cover the last three or four years.

31. Earnings per share

a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the company and held as treasury shares (Nota 16).

	2013	2012
Profit/(loss) from continuing operations attributable to owners of the parent	6,643	10,573
Weighted average number of ordinary shares in issue (thousands)	172,237	172,219
Basic earnings/(loss) per share (euros per share)	0.039	0.061

b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company does not have any dilutive potential ordinary shares.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 (In thousands of Euros)

32. Dividends per share

Dividends paid out of 2012 profit were as follows:

Date of approval	2013	
	Amount euros/share	Item
General Meeting of Shareholders (30 May 2013)	0.023	Dividend charged against 2012 profit
	<u>0.023</u>	

In 2012, the Company resolved to pay a final dividend out of 2011 profit of 0.018 euros per share.

33. Cash generated from operations

	2013	2012
Profit for the year	6,171	11,048
Adjustments for:		
- Income Tax	(49)	1,477
- Depreciation and impairment of property, plant and equipment	23,074	24,957
- Reversal of impairment of property, plant and equipment	(99)	(9,777)
- Amortisation of intangible assets	1,600	1,638
- Depreciation of investment property	12	12
- Provision/(reversal) for impairment of investment property	-	(87)
- (Gain)/loss on disposal of property, plant and equipment and available-for-sale assets	(3,005)	462
- (Gain)/loss on disposal of intangible assets	(602)	-
- Other income related to fixed assets (government grants)	(1,856)	(571)
- Net provisions	(559)	5,560
- Interest and dividend income	(1,170)	(39)
- Interest expense	10,190	12,528
- Exchange differences	2,405	-
Changes in working capital:		
- Inventories	3,538	5,686
- Trade and other receivables	24,224	12,158
- Change in provisions	(4,859)	(4,227)
- Suppliers and other payables	(14,105)	(18,904)
Cash generated from operations	<u>44,910</u>	<u>41,921</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 (In thousands of Euros)

34. Contingencies

The Group has contingent liabilities in respect of bank and other guarantees related to the normal course of business with a limit of 4 million euros (2012: 5.5 million euros). It does not expect these to give rise to any material liability.

35. Commitments

a) Commitments to purchase fixed assets

Commitment (but not incurred) investment at the reporting date amounted to 3.3 million euros in 2013 and 17.3 million euros in 2012.

b) Financing of investment commitments

This investments are financed through payment arrangements with equipment and other asset suppliers and expected cash flows from the Group's activity.

36. Related party transactions

The following transactions were carried out with related parties:

a) Transactions with associates and unconsolidated Group companies

	<u>2013</u>	<u>2012</u>
Purchases of goods and services	-	1

All purchases and sales of goods and services are carried out at market prices that would be available to unrelated third parties.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 (In thousands of Euros)

The detail of balances, in thousands of euros, held at 31 December 2013 and 2012 with the BBVA Group, the Group's main shareholder, along with the contractual terms and conditions are as follows:

2013

<u>Item</u>	<u>Amount drawn down</u>	<u>Final maturity</u>	<u>Guarantees</u>
Non-current loans	43,833	2018	Personal
Credit facilities	-	-	-
Discounted bills	1,127	Annual renewal	Personal
Confirming	5,461	Annual renewal	Personal
Import trade finance	32	Annual renewal	Personal
	<u>50,453</u>		

2012

<u>Item</u>	<u>Amount drawn down</u>	<u>Final maturity</u>	<u>Guarantees</u>
Non-current loans	53,001	2017	Personal
Credit facilities	7,291	Annual renewal	Personal
Discounted bills	3,318	Annual renewal	Personal
Confirming	7,612	Annual renewal	Personal
Import trade finance	-	Annual renewal	Personal
	<u>71,222</u>		

Interest paid by all Group companies to the BBVA Group in 2013 in respect of the aforementioned contracts recognised in the consolidated income statement amounted to 2,672 thousand euros (2012: 2,687 thousand euros).

b) Balances at year-end with associates from sales and purchases of goods and services

	<u>2013</u>	<u>2012</u>
Receivables	-	-
Payables	-	-

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 (In thousands of Euros)

c) Key management compensation

Aggregate annualised compensation paid to general managers and similar of all Group companies reporting directly to governing bodies amounted to 1,804 thousand euros in 2013 and included seven people (2012: 1,489 thousand euros and six people), as detailed below:

	2013	2012
Short-term remuneration	1,732	1,443
Post-employment benefits	72	46
	<u>1,804</u>	<u>1,489</u>

In 2011, an incentive plan for the 2011-2014 period was approved consisting of variable remuneration linked to company's share price from 2011 to 2014 payable at the end of the period within a range of 0 euros to 150 per cent of the average annualised fixed remuneration received by each beneficiary during the years that the plan is in force. No provision was necessary in this connection at 31 December 2013 and 2012. Post-employment benefits paid in 2013 related to contributions to the social welfare system, which is generally applied throughout the Group to all employees through defined contributions to a Voluntary Social Welfare Entity (EPSV).

d) Compensation of directors of the parent

Remuneration accrued in the year by members of the Board of Directors of Tubos Reunidos, S.A. in their capacity as directors of the Company, of any kind or for whatever reason, including salaries and wages of directors who also perform executive duties in the Group or provide professional services amounting to 154 thousand and 121 thousand euros, respectively (2012: 461 thousand and 0 euros, respectively), totalled 1,624 thousand euros (2012: 1,849 thousand euros). In addition, in accordance with the Company's by-laws, contributions were made to pension plans in 2013 for two members of the Board of Directors for a total of 351 thousand euros (2012: 585 thousand euros), as detailed below:

	2013	2012
Short-term remuneration	1,624	1,849
Post-employment benefits	351	585
Termination benefits	324	-
	<u>2,299</u>	<u>2,434</u>

At 31 December 2012 and 2013, the Group did not have any other current or non-current benefit commitments with directors except for the pension plan contributions mentioned above.

The Company did not advance any loans to members of the Board of Directors in 2013 and 2012.

TUBOS REUNIDOS, S.A. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 (In thousands of Euros)

e) Stakes, positions, duties and activities of directors in companies with similar activities

As provided for in Section 229 of the Corporate Enterprises Act, enacted by Legislative Royal Decree 1/2010, of 2 July, the directors informed the Company of the following positions held in companies with the same, analogous or similar corporate purpose as that of the parent, all of which are Group companies, except for Tubacex, S.A. and Grupo Condesa:

Name or corporate name of director	Name of the group	Position
Pedro Abásolo Albóniga (*)	Productos Tubulares, S.A.U.	Sole administrator (representative of Tubos Reunidos, S.A.)
Luis Fernando Noguera de Erquiaga (**)	Industria Auxiliar Alavesa, S.A.	Board member
Juan José Iribecampos Zubia (***)	Grupo Condesa	Administrator
Juan José Iribecampos Zubia (***)	Tubacex, S.A.	Board member
Luis Fernando Noguera de Erquiaga (**)	Tubos Reunidos Industrial, S.L.U.	Sole administrator (representative of Tubos Reunidos, S.A.)
	Almacenes Metalúrgicos, S.A.U.	Sole administrator (representative of Tubos Reunidos, S.A.)
Luis Fernando Noguera de Erquiaga (**)	Acecsa – Aceros Calibrados, S.A.	Sole administrator (representative of Tubos Reunidos, S.A.)
Luis Fernando Noguera de Erquiaga (**)	Tubos Reunidos América, Inc	Chairman

(*) Pedro Abásolo Albóniga stepped down as the natural person representative of the legal person Sole Director (Tubos Reunidos, S.A.) of Productos Tubulares, S.A. on 21 February 2013.

(**) Luis Fernando Noguera de Erquiaga stepped down as member of the Board of Directors of Tubos Reunidos, S.A. at the General Meeting of Shareholders held on 30 May 2013. He also stepped down from the Board of Directors of Industria Auxiliar Alavesa, S.A. and Tubos Reunidos América, Inc. and as Sole Director (legal person representative of Tubos Reunidos, S.A.) of Tubos Reunidos Industrial, S.L.U., Almacenes Metalúrgicos, S.A.U. and Acecsa-Aceros Calibrados, S.A.

(***) Juan José Iribecampos Zubia, who stepped down as member of the Board of Directors of Tubos Reunidos, S.A. at the General Meeting of Shareholders held 30 May 2013, is a major shareholder of Grupo Condesa, which manufactures welded steel tubes, and through Bagoeta, S.L. held an indirect stake of 18% in Tubacex, S.A., which manufactures stainless steel tubes.

There were no conflicts of interest to disclose in 2013.

TUBOS REUNIDOS, S.A. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 (In thousands of Euros)

37. Other information

a) Fees paid to auditors and companies of its group or related parties

Audit fees paid to all audit firms of Group companies in 2013 amounted to 243 thousand euros (2012: 244 thousand euros).

Fees paid to the main auditor for other services provided to Group companies in 2013 amounted to 9 thousand euros (2012: 4 thousand euros). Other invoices by other companies under the PwC trademark related to other services provided amounted to 51 thousand euros in 2013.

b) Environmental issues

The Group's property, plant and equipment include facilities designed to protect and improve the environment. Work is carried out by the Group's own personnel, with the support of external specialists, framed within the Company's strategic environmental plan being implemented to minimise the environmental risks related to its operations and to improve its environmental performance. Investments made and costs incurred in 2013 to protect and improve the improvement amounted to 732 thousand and 2,381 thousand euros, respectively (2012: 960 thousand and 2,468 thousand euros, respectively), recognised under "Property, plant and equipment" on the asset side of the accompanying balance sheet and "Other expenses" in the accompanying income statement.

Regarding rights governed by the National Allocation Plan (Notes 2.7 and 7), the amount of rights granted to Tubos Reunidos, S.A. and subsidiaries during the period covered by the Plan, by year from 2013 to 2020, is as follows:

	<u>Rights allocated (Mt)</u>
2013	95,931
2014	94,264
2015	92,579
2016	90,875
2017	89,153
2018	87,415
2019	85,654
2020	83,889
Total	<u>719,760</u>

TUBOS REUNIDOS, S.A. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 (In thousands of Euros)

In 2013, expenses arising from the consumption of emission rights, recognised with a balancing entry in the related provision (Note 23), amounted to 460 thousand euros (2012: 563 thousand euros).

The estimated consumption of emission rights for 2013 will not exceed the rights allocated. Rights consumed in 2012 did not exceed the rights allocated.

Management does not expect any type of sanction or contingency to arise from compliance with the requirements of Act 1/2005.

TUBOS REUNIDOS, S.A. AND SUBSIDIARIES

CONSOLIDATED DIRECTORS' REPORT FOR 2013 (In thousands of Euros)

Global economic growth tapered off slightly in 2013, to 3%, mainly due to lower growth in Europe and other developed economies, as emerging companies remained relatively buoyant, albeit slightly less so than expected.

Activity started picking up around the middle of 2013, above all in Europe, which began emerging from the recession that began in 2012, continued throughout much of 2013 and resulted in a contraction of half a percentage point in the year. In Europe, activity has gradually improved in general in core and peripheral countries alike, driven by the ease in fiscal targets, control over financial pressures and greater confidence over the euro thanks to increased governance in the area and the creation of a genuine banking union. Nevertheless, there are still uncertainties and risks.

The US economy gathered steam as the year progressed, but GDP growth for 2013 as a whole was lower than in 2012 due to the scant growth registered at the beginning of the year. Economic activity was undermined by concerns over how quickly monetary authorities would withdraw their expansive fiscal and monetary policies. The trend is positive: consumption and investment are firm, while the labour market is seeing moderate growth in employment and a decline in unemployment.

In emerging economies, 2013 was broadly similar to 2012, with relatively high growth. In Latin America, GDP growth was around 2.5%, and for the Asia Pacific region, above 5%. Despite the positive readings, the area was affected as the EU reduced its expansive monetary policies, causing asset prices to fall and currencies to depreciate, triggering capital flight.

The performance in foreign currency exchange rates was shaped by expectations regarding the withdrawal of stimulus measures by the US, with an outflow of liquidity and, accordingly, depreciation by currencies of emerging economies. Meanwhile, the ease in financial pressures in the euro area led to inflows and a rise by the euro in the latter part of 2013, to USD 1.38 at the end of the year, up 4% from 2012. The ECB cut its benchmark interest rate to 0.25%.

Turning to oil prices, the Brent price ended 2013 at US\$110/barrel, marking a decline of less than 1% from 2012. Growth in demand for oil eased, above all in China, India and the Middle East. Coal and natural gas prices fell, while prices for oil for immediately delivery held steady thanks to supply interruptions and geopolitical pressure in the Middle East and North Africa.

Against this backdrop, Tubos Reunidos reported consolidated profit of 6.64 million euros on EBITDA of 42.24 million euros, leaving an EBITDA margin of 12.1%. These numbers underscore the Group's resilience in low stages of the cycle thanks to a management model geared towards efficiency and risk management.

TUBOS REUNIDOS, S.A. AND SUBSIDIARIES

CONSOLIDATED DIRECTORS' REPORT FOR 2013 (In thousands of Euros)

Tubos Reunidos made significant inroads in its strategic and investment plan (150 million euros in 2012-2016), investing 41.9 million euros in the year. These investments targeted product, as well as process, innovation to boost the company's competitiveness and added value, in line with the strategy of focusing on the fastest growing and more profitable niches. The Group is committed to developing new steel, special tubes and technologically advanced production processes in order to meet the growing demands of the oil and gas drilling and energy generation sectors, as well as that of the international markets; these sectors and markets represented 81% and 84.4% of the Group's steel tube sales, respectively, in 2013.

R&D&I projects carried out by the Group in 2013 featured, at Tubos Reunidos Industrial (TRI), the expansion of the product range with new and more demanding combinations of thickness and diameters, the start-up of a degassing facility for the steel plant to improve the quality and cleanliness of the steel manufactured and undertake new challenges, and the new induction hardening and tempering line, which will boost treatment capacity of premium tubes and broaden the range of proprietary grades offered to the market. Meanwhile, at Productos Tubulares (PT), investments focused on expanding the product range. Work was carried out on the main tube manufacturing facilities, reinforcing the design and manufacture of tooling and improving the steel quality at the steelworks. On this front, the TR Group worked in conjunction with laboratories and technology centres, universities and other R&D&I specialists.

On 6 November 2013, the European Investment Bank (BEI) granted Tubos Reunidos a 59 million euros loan facility to execute its 2012-2016 investment plan, considering it eligible for funding in line with its objectives of supporting research, technological development and innovation, and sustainable economic growth. The grant of the loan recognises the Group's investment plan, which focuses on in-house technology as the driver of innovation and competitiveness, two key pillars for growth and profitability.

The Group stills boasts a solid financial structure, with net financial debt of 181.8 million euros, of which 169 million euros is long-term. Working capital at 31 December stood at 80.2 million euros, up 25% from the year before, with investment in current assets, inventories and trade receivables minus suppliers down 15% or 20 million euros. The Group had total equity at year-end 2013 of 246 million euros and total assets of 631 million euros.

In Human Resources, 2013 featured stability in the working environment, operating the entire year at full capacity. Generational handover plans proceeded at Tubos Reunidos Industrial (TRI), in line with the agreement in force to 2016, while agreements were reached at Productos Tubulares (PT) for measures between 2014 and 2016. As for training, 2013 featured another increase in hours dedicated to operational health and safety, a priority issue in all of the Tubos Reunidos Group's endeavours, and to labour flexibility and versatility. Moreover, progress was made in the knowledge management process initiated in 2012 and expected to run for several years.

TUBOS REUNIDOS, S.A. AND SUBSIDIARIES

CONSOLIDATED DIRECTORS' REPORT FOR 2013 (In thousands of Euros)

On the occupational health and safety front, the Group's two main plants obtained their best accident indicators ever. In addition, the Lloyd's Register certificate in accordance with OSHAS 18001 was renewed and all audits passed.

One of the Tubos Reunidos Group's permanent objectives is to protect the environment, striking a balance between its activities and sustainable development and incorporating tools that enable the Group to achieve continual improvement in its environmental performance. All the 2013 targets and objectives of the 2002-2020 Basque Environmental Strategy for Sustainable Development, a key milestone in Basque environmental policy, were achieved. Moreover, the certification of both TRI's and PT's environmental management systems (EMS) in accordance with the ISO 14.001 standard was renewed. As for the Kyoto protocol, CO₂ emission allowances for 2012 were delivered and both the audits to verify greenhouse gas emissions for 2012 and the pre-audit for 2013 were passed.

A detailed description of the main risks and uncertainties facing the Group's businesses is provided in the notes to the consolidated annual accounts, presented and authorised for issue by the Board of Directors.

Regarding treasury shares, the main transactions carried out were under the framework of the liquidity agreement entered into with Norbolsa, SV, S.A. on 21 July 2008, as provided for the Circular 3/2007 of the National Securities Commission (Comisión Nacional del Mercado de Valores or CNMV) of 19 December. Both the terms of the agreement and a list of specific transactions carried out were disclosed to the CNMV and are available for consultation on the CNMV website. In 2013, the Company bought 344,436 and sold 543,590 treasury shares, leaving a balance of 2,209,796 shares at year-end.

Looking ahead to 2014, the global economic recovery should become firmer, with emerging and developing economies alike contributing to growth. The commodities market should be less volatile, with prices tending to remain stable. Inflation should remain under control in advanced economies, as well as in emerging and developing economies.

As regards the seamless steel tube market, expectations are still for sustainable growth in demand over the long term underpinned by needs for investment in energy infrastructure, above all in the more premium products designed for new technologies, which have greater demands and requirements. Competition worldwide remains stiff. However, having emerged from the crisis with a strong financial position and satisfactory execution and progress in its strategic and investment plan, Tubos Reunidos is facing 2014 with reinforced strategic pillars enabling it to stand out from its peers, offering increasingly premium products and with a more competitive business model, production process and facilities, coupled with the flexibility and customer service that are the Group's distinguishing feature. These developments leave the Group well placed to achieve higher growth and profitability as the markets continue to recover.

ANEXO I

INFORME ANUAL DE GOBIERNO CORPORATIVO DE LAS SOCIEDADES ANÓNIMAS COTIZADAS

DATOS IDENTIFICATIVOS DEL EMISOR

FECHA FIN DEL EJERCICIO DE REFERENCIA	31/12/2013
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C.I.F.	A-48011555
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DENOMINACIÓN SOCIAL

TUBOS REUNIDOS, S.A.

DOMICILIO SOCIAL

BARRIO SAGARRIBAI, S/Nº, (AMURRIO) ALAVA

INFORME ANUAL DE GOBIERNO CORPORATIVO DE LAS SOCIEDADES ANÓNIMAS COTIZADAS

A ESTRUCTURA DE LA PROPIEDAD

A.1 Complete el siguiente cuadro sobre el capital social de la sociedad:

Fecha de última modificación	Capital social (€)	Número de acciones	Número de derechos de voto
04/02/2008	17.468.088,00	174.680.888	174.680.888

Indique si existen distintas clases de acciones con diferentes derechos asociados:

SI ☐

No ☒

A.2 Detalle los titulares directos e indirectos de participaciones significativas, de su sociedad a la fecha de cierre del ejercicio, excluidos los consejeros:

Nombre o denominación social del accionista	Número de derechos de voto directos	Número de derechos de voto indirectos	% sobre el total de derechos de voto
DOÑA CARMEN DE MIGUEL NART	6.666.218	0	3,82%
DON SANTIAGO YBARRA CHURRUCA	0	5.819.474	3,33%
DON EMILIO YBARRA CHURRUCA	0	5.819.474	3,33%
DON JOAQUIN GOMEZ DE OLEA MENDARO	7.872.074	3.247.301	6,37%
BANCO BILBAO VIZCAYA ARGENTARIA, S.A.	0	40.881.325	23,40%
ACCION CONCERTADA GRUPO ZORRILLA LEQUERICA PUIG	0	17.857.683	10,22%

Nombre o denominación social del titular indirecto de la participación	A través de: Nombre o denominación social del titular directo de la participación	Número de derechos de voto
DON SANTIAGO YBARRA CHURRUCA	SATURRARAN	5.819.474
DON EMILIO YBARRA CHURRUCA	ELGUERO, S.A.	5.819.474
DON JOAQUIN GOMEZ DE OLEA MENDARO	GUESINVER, SICAV S.A.	1.040.000
DON JOAQUIN GOMEZ DE OLEA MENDARO	VIKINVEST, SICAVS.A.	496.000
DON JOAQUIN GOMEZ DE OLEA MENDARO	LIBANO DE ARRIETA	684.000
DON JOAQUIN GOMEZ DE OLEA MENDARO	SERVICIOS CESNA	1.020.000
DON JOAQUIN GOMEZ DE OLEA MENDARO	DOÑA MARIA TERESA OLLEROS DELGADO	1.200
DON JOAQUIN GOMEZ DE OLEA MENDARO	DOÑA ALEJANDRA LUCA DE TENA OYARZUN	1.282
DON JOAQUIN GOMEZ DE OLEA MENDARO	DON GUILLERMO BARANDIARAN OLLEROS	1.084
DON JOAQUIN GOMEZ DE OLEA MENDARO	DON ALFONSO BARANDIARAN OLLEROS	1.335
DON JOAQUIN GOMEZ DE OLEA MENDARO	GESLURAN SL	2.400
BANCO BILBAO VIZCAYA ARGENTARIA, S.A.	BANCO INDUSTRIAL DE BILBAO, S.A.	33.713.440
BANCO BILBAO VIZCAYA ARGENTARIA, S.A.	CIERVANA, S.L.	7.167.885
ACCION CONCERTADA GRUPO ZORRILLA LEQUERICA PUIG	DON MERCEDES PUIG PEREZ DE GUZMAN	10.153.899
ACCION CONCERTADA GRUPO ZORRILLA LEQUERICA PUIG	DON ALFONSO ZORRILLA DE LEQUERICA PUIG	1.925.946
ACCION CONCERTADA GRUPO ZORRILLA LEQUERICA PUIG	DON MERCEDES ZORRILLA DE LEQUERICA PUIG	1.925.946
ACCION CONCERTADA GRUPO ZORRILLA LEQUERICA PUIG	DON PILAR ZORRILLA DE LEQUERICA PUIG	1.925.946

Nombre o denominación social del titular indirecto de la participación	A través de: Nombre o denominación social del titular directo de la participación	Número de derechos de voto
ACCION CONCERTADA GRUPO ZORRILLA LEQUERICA PUIG	DON LETICIA ZORRILLA DE LEQUERICA PUIG	1.925.946

Indique los movimientos en la estructura accionarial más significativos acaecidos durante el ejercicio:

Nombre o denominación social del accionista	Fecha de la operación	Descripción de la operación
DON JOAQUIN GOMEZ DE OLEA MENDARO	26/09/2013	Se ha superado el 5% del capital Social

A.3 Complete los siguientes cuadros sobre los miembros del consejo de administración de la sociedad, que posean derechos de voto de las acciones de la sociedad:

Nombre o denominación social del Consejero	Número de derechos de voto directos	Número de derechos de voto indirectos	% sobre el total de derechos de voto
DON FRANCISCO JOSE ESTEVE ROMERO	100	0	0,00%
DON ENRIQUE PORTOCARRERO ZORRILLA LEQUERICA	806.346	0	0,46%
DON ALBERTO JOSE DELCLAUX DE LA SOTA	0	8.224	0,01%
DON ALFONSO BARANDIARAN OLLEROS	1.335	2.400	0,00%
DON LETICIA ZORRILLA DE LEQUERICA PUIG	1.925.946	0	1,10%
DON LUIS ALBERTO MAÑAS ANTON	60.000	0	0,03%
DON JORGE GABIOLA MENDIETA	245.000	576	0,14%

Nombre o denominación social del titular indirecto de la participación	A través de: Nombre o denominación social del titular directo de la participación	Número de derechos de voto
DON ALBERTO JOSE DELCLAUX DE LA SOTA	DON ALBERTO DELCLAUX GAYTAN DE AYALA	4.112
DON ALBERTO JOSE DELCLAUX DE LA SOTA	DOÑA ALEXIA DELCLAUX GAYTAN DE AYALA	4.112
DON ALFONSO BARANDIARAN OLLEROS	GESLURAN SL	2.400
DON JORGE GABIOLA MENDIETA	DOÑA MARIA BELEN BARAINCA VICINAY	144
DON JORGE GABIOLA MENDIETA	DON JORGE GABIOLA BARAINCA	144
DON JORGE GABIOLA MENDIETA	DOÑA MARIA GABIOLA BARAINCA	144
DON JORGE GABIOLA MENDIETA	DOÑA MARTA GABIOLA BARAINCA	144

% total de derechos de voto en poder del consejo de administración	1,75%
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Complete los siguientes cuadros sobre los miembros del consejo de administración de la sociedad, que posean derechos sobre acciones de la sociedad

A.4 Indique, en su caso, las relaciones de índole familiar, comercial, contractual o societaria que existan entre los titulares de participaciones significativas, en la medida en que sean conocidas por la sociedad, salvo que sean escasamente relevantes o deriven del giro o tráfico comercial ordinario:

A.5 Indique, en su caso, las relaciones de índole comercial, contractual o societaria que existan entre los titulares de participaciones significativas, y la sociedad y/o su grupo, salvo que sean escasamente relevantes o deriven del giro o tráfico comercial ordinario:

A.6 Indique si han sido comunicados a la sociedad pactos parasociales que la afecten según lo establecido en los artículos 530 y 531 de la Ley de Sociedades de Capital. En su caso, descríbalos brevemente y relacione los accionistas vinculados por el pacto:

Sí ☐No ☒

Indique si la sociedad conoce la existencia de acciones concertadas entre sus accionistas. En su caso, descríbalas brevemente:

Sí ☒No ☐

Porcentaje de capital social afectado:10,22%

Breve descripción del concierto:

ACCION CONCERTADA TACITA GRUPO ZORRILLA LEQUERICA PUIG

Intervinientes acción concertada
DON MERCEDES PUIG PEREZ DE GUZMAN
DON MERCEDES ZORRILLA DE LEQUERICA PUIG
DON ALFONSO ZORRILLA DE LEQUERICA PUIG
DON LETICIA ZORRILLA DE LEQUERICA PUIG
DON PILAR ZORRILLA DE LEQUERICA PUIG

Porcentaje de capital social afectado:6,37%

Breve descripción del concierto:

ACCION CONCERTADA TACITA GRUPO BARANDIARAN

Intervinientes acción concertada
DON JOAQUIN GOMEZ DE OLEA MENDARO
GUESINVER, SICAV S.A.
VIKINVEST, SICAVS.A.
LIBANO DE ARRIETA
SERVICIOS CESNA
DOÑA MARIA TERESA OLLEROS DELGADO
DOÑA ALEJANDRA LUCA DE TENA OYARZUN
DON GUILLERMO BARANDIARAN OLLEROS
DON ALFONSO BARANDIARAN OLLEROS
GESLURAN SL

En el caso de que durante el ejercicio se haya producido alguna modificación o ruptura de dichos pactos o acuerdos o acciones concertadas, indíquelo expresamente:

SE HA COMUNICADO LA ACCION CONCERTADA DEL GRUPO BARANDIARAN

A.7 Indique si existe alguna persona física o jurídica que ejerza o pueda ejercer el control sobre la sociedad de acuerdo con el artículo 4 de la Ley del Mercado de Valores. En su caso, identifíquela:

Sí ☐No ☒

Observaciones

A.8 Complete los siguientes cuadros sobre la autocartera de la sociedad:

A fecha de cierre del ejercicio:

Número de acciones directas	Número de acciones indirectas (*)	% total sobre capital social
0	2.209.796	1,27%

(*) A través de:

Nombre o denominación social del titular directo de la participación	Número de acciones directas
CLIMA, S.A.	2.209.796
Total:	2.209.796

Detalle las variaciones significativas, de acuerdo con lo dispuesto en el Real Decreto 1362/2007, realizadas durante el ejercicio:

A.9 Detalle las condiciones y plazo del mandato vigente de la junta de accionistas al consejo de administración para emitir, recomprar o transmitir acciones propias.

LA JUNTA GENERAL CELEBRADA EL 30 DE MAYO DE 2013 ADOPTO EL SIGUIENTE ACUERDO: AUTORIZAR LA ADQUISICION DE ACCIONES PROPIAS POR LA SOCIEDAD Y SUS SOCIEDADES FILIALES, MEDIANTE CUALQUIER MODALIDAD DE ADQUISICION, HASTA EL NUMERO MAXIMO DE ACCIONES PERMITIDO POR LA LEGISLACION MERCANTIL VIGENTE, POR UN PRECIO EQUIVALENTE AL DE COTIZACION A LA FECHA DE REALIZACION DE CADA OPERACION, CONCEDIENDO LA AUTORIZACION PARA UN PERIODO DE CINCO AÑOS Y DEJANDO SIN EFECTO LA AUTORIZACION CONCEDIDA EN LA JUNTA GENERAL DE FECHA 3 DE MAYO DE 2012.

A.10 Indique si existe cualquier restricción a la transmisibilidad de valores y/o cualquier restricción al derecho de voto. En particular, se comunicará la existencia de cualquier tipo de restricciones que puedan dificultar la toma de control de la sociedad mediante la adquisición de sus acciones en el mercado.

Sí ☐

No ☒

A.11 Indique si la junta general ha acordado adoptar medidas de neutralización frente a una oferta pública de adquisición en virtud de lo dispuesto en la Ley 6/2007.

Sí ☐

No ☒

En su caso, explique las medidas aprobadas y los términos en que se producirá la ineficiencia de las restricciones:

A.12 Indique si la sociedad ha emitido valores que no se negocian en un mercado regulado comunitario.

Sí ☐

No ☒

En su caso, indique las distintas clases de acciones y, para cada clase de acciones, los derechos y obligaciones que confiera.

B JUNTA GENERAL

B.1 Indique y, en su caso detalle, si existen diferencias con el régimen de mínimos previsto en la Ley de Sociedades de Capital (LSC) respecto al quórum de constitución de la junta general.

Sí ☐

No ☒

B.2 Indique y, en su caso, detalle si existen diferencias con el régimen previsto en la Ley de Sociedades de Capital (LSC) para la adopción de acuerdos sociales:

Sí ☐

No ☒

Describa en qué se diferencia del régimen previsto en la LSC.

B.3 Indique las normas aplicables a la modificación de los estatutos de la sociedad. En particular, se comunicarán las mayorías previstas para la modificación de los estatutos, así como, en su caso, las normas previstas para la tutela de los derechos de los socios en la modificación de los estatutos .

LAS NORMAS APLICABLES PARA LA MODIFICACION DE ESTATUTOS SON LAS PREVISTAS EN LA LEY DE SOCIEDADES DE CAPITAL SIN NINGUNA ESPECIALIDAD AL RESPECTO.

B.4 Indique los datos de asistencia en las juntas generales celebradas en el ejercicio al que se refiere el presente informe y los del ejercicio anterior:

	Datos de asistencia				
Fecha junta general	% de presencia física	% en representación	% voto a distancia		Total
			Voto electrónico	Otros	
30/05/2013	37,75%	31,63%	0,00%	0,00%	69,38%

B.5 Indique si existe alguna restricción estatutaria que establezca un número mínimo de acciones necesarias para asistir a la junta general:

Sí ☐

No ☒

B.6 Indique si se ha acordado que determinadas decisiones que entrañen una modificación estructural de la sociedad ("filialización", compra-venta de activos operativos esenciales, operaciones equivalentes a la liquidación de la sociedad ...) deben ser sometidas a la aprobación de la junta general de accionistas, aunque no lo exijan de forma expresa las Leyes Mercantiles.

Sí ☒

No ☐

B.7 Indique la dirección y modo de acceso a la página web de la sociedad a la información sobre gobierno corporativo y otra información sobre las juntas generales que deba ponerse a disposición de los accionistas a través de la página web de la Sociedad.

LA DIRECCION DE LA PAGINA WEB DE LA SOCIEDAD ES WWW.TUBOSREUNIDOS.COM, Y LA INFORMACION SOBRE GOBIERNO CORPORATIVO SE INCLUYE EN EL APARTADO INFORMACION PARA ACCIONISTAS E INVERSORES

C ESTRUCTURA DE LA ADMINISTRACIÓN DE LA SOCIEDAD

C.1 Consejo de administración

C.1.1 Número máximo y mínimo de consejeros previstos en los estatutos sociales:

Número máximo de consejeros	14
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Número mínimo de consejeros	4
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C.1.2 Complete el siguiente cuadro con los miembros del consejo:

Nombre o denominación social del consejero	Representante	Cargo en el consejo	F Primer nombram	F Último nombram	Procedimiento de elección
DON PEDRO ABASOLO ALBONIGA		PRESIDENTE	16/08/1999	30/05/2013	ACUERDO JUNTA GENERAL DE ACCIONISTAS
DON EMILIO YBARRA AZNAR		VICEPRESIDENTE 1º	16/08/1999	30/05/2013	ACUERDO JUNTA GENERAL DE ACCIONISTAS
DON LETICIA ZORRILLA DE LEQUERICA PUIG		CONSEJERO	29/06/2004	30/05/2013	ACUERDO JUNTA GENERAL DE ACCIONISTAS
DON JORGE GABIOLA MENDIETA		CONSEJERO	30/05/2013	30/05/2013	ACUERDO JUNTA GENERAL DE ACCIONISTAS
DON LUIS ALBERTO MAÑAS ANTON		CONSEJERO	24/02/2010	04/05/2010	ACUERDO JUNTA GENERAL DE ACCIONISTAS
DON ALBERTO JOSE DELCLAUX DE LA SOTA		CONSEJERO	28/05/2002	30/05/2013	ACUERDO JUNTA GENERAL DE ACCIONISTAS
DON ALFONSO BARANDIARAN OLLEROS		CONSEJERO	27/09/2013	27/09/2013	COOPTACION
DON FRANCISCO JOSE ESTEVE ROMERO		CONSEJERO	30/01/2008	30/05/2013	ACUERDO JUNTA GENERAL DE ACCIONISTAS
DON ENRIQUE PORTOCARRERO ZORRILLA LEQUERICA		CONSEJERO	28/05/2002	04/05/2010	ACUERDO JUNTA GENERAL DE ACCIONISTAS
DON ROBERTO VELASCO BARROETABEÑA		CONSEJERO	03/06/2009	30/05/2013	ACUERDO JUNTA GENERAL DE ACCIONISTAS

Número total de consejeros	10
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Indique los ceses que se hayan producido en el consejo de administración durante el periodo sujeto a información:

Nombre o denominación social del consejero	Condición del consejero en el momento de cese	Fecha de baja
DON LUIS FERNANDO NOGUERA DE ERQUIAGA	Ejecutivo	30/05/2013
DON JUAN JOSE IRIBECAMPOS ZUBIA	Independiente	30/05/2013
DON JOAQUIN GOMEZ DE OLEA MENDARO	Dominical	27/09/2013

C.1.3 Complete los siguientes cuadros sobre los miembros del consejo y su distinta condición:

CONSEJEROS EJECUTIVOS

CONSEJEROS EXTERNOS DOMINICALES

Nombre o denominación social del consejero	Comisión que ha informado su nombramiento	Nombre o denominación del accionista significativo a quien representa o que ha propuesto su nombramiento
DON EMILIO YBARRA AZNAR	COMISION DE NOMBRAMIENTOS Y RETRIBUCIONES	DON EMILIO YBARRA CHURRUCA
DON LETICIA ZORRILLA DE LEQUERICA PUIG	COMISION DE NOMBRAMIENTOS Y RETRIBUCIONES	ACCION CONCERTADA GRUPO ZORRILLA LEQUERICA PUIG
DON FRANCISCO JOSE ESTEVE ROMERO	COMISION DE NOMBRAMIENTOS Y RETRIBUCIONES	BANCO BILBAO VIZCAYA ARGENTARIA, S.A.
DON ENRIQUE PORTOCARRERO ZORRILLA LEQUERICA	COMISION DE NOMBRAMIENTOS Y RETRIBUCIONES	ACCION CONCERTADA GRUPO ZORRILLA LEQUERICA PUIG
DON ALBERTO JOSE DELCLAUX DE LA SOTA	COMISION DE NOMBRAMIENTOS Y RETRIBUCIONES	BANCO BILBAO VIZCAYA ARGENTARIA, S.A.
DON ALFONSO BARANDIARAN OLLEROS	COMISION DE NOMBRAMIENTOS Y RETRIBUCIONES	DON JOAQUIN GOMEZ DE OLEA MENDARO

Número total de consejeros dominicales	6
% sobre el total del consejo	60,00%

CONSEJEROS EXTERNOS INDEPENDIENTES

Nombre o denominación del consejero:

DON ROBERTO VELASCO BARROETABEÑA

Perfil:

Catedrático de Economía Aplicada en la Universidad del País Vasco.
 Tiene experiencia en los consejos de administración de empresas, industriales y financieras, así como en sus comisiones de auditoria.
 Ha ocupado puestos de mucha responsabilidad en entidades del sector público y privado vinculados a la empresa e industria.
 Así mismo ha publicado numerosos libros y artículos relacionados con la industria y economía en general.

Nombre o denominación del consejero:

DON LUIS ALBERTO MAÑAS ANTON

Perfil:

Experto en el mundo energético, sector en el que ha desarrollado la mayor parte de su carrera profesional, primero en puestos ejecutivos, como CFO (Chief Financial Officer) y después en puestos de asesoramiento, en ambos casos al mas alto nivel tanto en el sector privado como el público. Su formación académica es extensa y ha sido profesor en varias universidades, todo ello en el ámbito nacional e internacional.

Número total de consejeros independientes	2
% total del consejo	20,00%

Indique si algún consejero calificado como independiente percibe de la sociedad, o de su mismo grupo, cualquier cantidad o beneficio por un concepto distinto de la remuneración de consejero, o mantiene o ha mantenido, durante el último ejercicio, una relación de negocios con la sociedad o con cualquier sociedad de su grupo, ya sea en nombre propio o como accionista significativo, consejero o alto directivo de una entidad que mantenga o hubiera mantenido dicha relación.

NO

En su caso, se incluirá una declaración motivada del consejo sobre las razones por las que considera que dicho consejero puede desempeñar sus funciones en calidad de consejero independiente.

OTROS CONSEJEROS EXTERNOS

Nombre o denominación del consejero	Comisión que ha informado o propuesto su nombramiento
DON PEDRO ABASOLO ALBONIGA	COMISION DE NOMBRAMIENTOS Y RETRIBUCIONES
DON JORGE GABIOLA MENDIETA	COMISION DE NOMBRAMIENTOS Y RETRIBUCIONES

Número total de otros consejeros externos	2
% total del consejo	20,00%

Detalle los motivos por los que no se puedan considerar dominicales o independientes y sus vínculos, ya sea con la sociedad o sus directivos, ya sea con sus accionistas:

Nombre o denominación social del consejero:

DON PEDRO ABASOLO ALBONIGA

Sociedad, directivo o accionista con el que mantiene el vínculo:

Motivos:

Desde 2007 se le incluye en esta categoría. En los años anteriores se le consideraba dominical por su designación a instancias de familiares accionistas. Debido a la plena emancipación de dichos familiares y que su porcentaje de participación es comparativamente inferior al resto de consejeros dominicales, es aconsejable su inclusión en esta categoría establecida en el Código Unificado con carácter excluyente.

Nombre o denominación social del consejero:

DON JORGE GABIOLA MENDIETA

Sociedad, directivo o accionista con el que mantiene el vínculo:

Motivos:

No puede ser calificado como independiente al tener un contrato de prestación de servicios con la Compañía, de acuerdo con las definiciones vinculantes para esta categoría. No tiene la consideración de ejecutivo, y su participación accionarial es muy poco significativa para ser considerado dominical. En consecuencia, por exclusión, se califica como Otro Externo.

Indique las variaciones que, en su caso, se hayan producido durante el periodo en la tipología de cada consejero:

C.1.4 Complete el siguiente cuadro con la información relativa al número de consejeras durante los últimos 4 ejercicios, así como el carácter de tales consejeras:

	Número de consejeras				% sobre el total de consejeros de cada tipología			
	Ejercicio 2013	Ejercicio 2012	Ejercicio 2011	Ejercicio 2010	Ejercicio 2013	Ejercicio 2012	Ejercicio 2011	Ejercicio 2010
Ejecutiva	0	0	0	0	0,00%	0,00%	0,00%	0,00%
Dominical	1	1	1	1	10,00%	9,00%	9,00%	9,00%
Independiente	0	0	0	0	0,00%	0,00%	0,00%	0,00%
Otras Externas	0	0	0	0	0,00%	0,00%	0,00%	0,00%
Total:	1	1	1	1	10,00%	9,00%	9,00%	9,00%

C.1.5 Explique las medidas que, en su caso, se hubiesen adoptado para procurar incluir en el consejo de administración un número de mujeres que permita alcanzar una presencia equilibrada de mujeres y hombres.

Explicación de las medidas

La Comisión de Nombramientos y Retribuciones tiene asignada entre sus funciones informar sobre cuestiones de diversidad de género y velar para que al proveerse de vacantes los procedimientos de selección no adolezcan de sesgos implícitos que obstaculicen la selección de consejeras, y busque deliberadamente candidatas que reúnan el perfil exigido.

C.1.6 Explique las medidas que, en su caso, hubiese convenido la comisión de nombramientos para que los procedimientos de selección no adolezcan de sesgos implícitos que obstaculicen la selección de consejeras, y la compañía busque deliberadamente e incluya entre los potenciales candidatos, mujeres que reúnan el perfil profesional buscado:

Explicación de las medidas

Son las mismas que las indicadas en el apartado C.1.5 anterior.

Cuando a pesar de las medidas que, en su caso, se hayan adoptado, sea escaso o nulo el número de consejeras, explique los motivos que lo justifiquen:

Explicación de los motivos

En el Consejo de Administración de Tubos Reunidos hay una Consejera, en concreto Dña. Leticia Zorrilla de Lequerica. Los criterios de selección son los establecidos en el Reglamento del Consejo: reconocida competencia, experiencia y prestigio, y en ningún caso, como criterio específico, que las consejeras deban representar un porcentaje determinado. No obstante, reiterar lo indicado anteriormente sobre la inexistencia de sesgos implícitos en el procedimiento de selección para la cobertura de vacantes en el Consejo de Administración.

C.1.7 Explique la forma de representación en el consejo de los accionistas con participaciones significativas.

Los accionistas con participación significativas que están representados en el Consejo, son los siguientes: 1.- El BBVA tiene dos representantes, Sres Delclaux y Esteve; 2.- El Grupo Zorrilla Lequerica tiene también dos representantes, Sra. Leticia Zorrilla de Lequerica y D. Enrique Portocarrero Zorrilla-Lequerica; 3.- El Grupo Barandiarán tiene un representante, S. Alfonso Barandiarán y 4.- D. Emilio Ybarra Churruca tien un representante, D. Emilio Ybarra Aznar

C.1.8 Explique, en su caso, las razones por las cuales se han nombrado consejeros dominicales a instancia de accionistas cuya participación accionarial es inferior al 5% del capital:

Nombre o denominación social del accionista:

DON EMILIO YBARRA CHURRUCA

Justificación:

D. Emilio Ybarra Churruca es uno de las accionistas con participación significativa más relevante después de los tres accionistas con porcentaje superior al 5 por ciento, y se ha considerado oportuno que designe como Consejero dominical a su instancia a D. Emilio Ybarra Aznar, a efectos de una adecuada estructura de la tipología de Consejeros, siendo éste último, además, uno de los dos consejeros con más antigüedad y con gran experiencia en el Grupo Tubos Reunidos.

Indique si no se han atendido peticiones formales de presencia en el consejo procedentes de accionistas cuya participación accionarial es igual o superior a la de otros a cuya instancia se hubieran designado consejeros dominicales. En su caso, explique las razones por las que no se hayan atendido:

Sí ☐

No ☒

C.1.9 Indique si algún consejero ha cesado en su cargo antes del término de su mandato, si el mismo ha explicado sus razones y a través de qué medio, al consejo, y, en caso de que lo haya hecho por escrito a todo el consejo, explique a continuación, al menos los motivos que el mismo ha dado:

Nombre del consejero:

DON JOAQUIN GOMEZ DE OLEA MENDARO

Motivo del cese:

D. Joaquín Gómez Olea comunicó su cese, por razones estrictamente personales, mediante una carta dirigida al Secretario del Consejo, con la finalidad de que diera traslado de la misma al Presidente y resto de miembros del Consejo de Administración. En dicha carta indicaba su deseo y el del resto de accionistas del Grupo Barandiarán de que su vacante fuera cubierta por D. Alfonso Barandiarán Olleros.

C.1.10 Indique, en el caso de que exista, las facultades que tienen delegadas el o los consejero/s delegado/s:

C.1.11 Identifique, en su caso, a los miembros del consejo que asuman cargos de administradores o directivos en otras sociedades que formen parte del grupo de la sociedad cotizada:

Nombre o denominación social del consejero	Denominación social de la entidad del grupo	Cargo
DON JORGE GABIOLA MENDIETA	CLIMA. S.A.	REPRESENTANTE PERSONA FISICA DEL ADMINISTRADOR UNICO PERSONA JURIDICA (TUBOS REUNIDOS, S.A.)

C.1.12 Detalle, en su caso, los consejeros de su sociedad que sean miembros del consejo de administración de otras entidades cotizadas en mercados oficiales de valores distintas de su grupo, que hayan sido comunicadas a la sociedad:

Nombre o denominación social del consejero	Denominación social de la entidad del grupo	Cargo
DON LUIS ALBERTO MAÑAS ANTON	ARCA SELECT SICAV	CONSEJERO DELEGADO
DON LUIS ALBERTO MAÑAS ANTON	ARBITRAGE CAPITAL	CONSEJERO

C.1.13 Indique y, en su caso explique, si la sociedad ha establecido reglas sobre el número de consejos de los que puedan formar parte sus consejeros:

Sí ☐No ☒

C.1.14 Señale las políticas y estrategias generales de la sociedad que el consejo en pleno se ha reservado aprobar:

	Sí	No
La política de inversiones y financiación	X	
La definición de la estructura del grupo de sociedades	X	
La política de gobierno corporativo	X	
La política de responsabilidad social corporativa	X	
El plan estratégico o de negocio, así como los objetivos de gestión y presupuesto anuales	X	
La política de retribuciones y evaluación del desempeño de los altos directivos	X	
La política de control y gestión de riesgos, así como el seguimiento periódico de los sistemas internos de información y control	X	
La política de dividendos, así como la de autocartera y, en especial, sus límites	X	

C.1.15 Indique la remuneración global del consejo de administración:

Remuneración del consejo de administración (miles de euros)	1.828
Importe de la remuneración global que corresponde a los derechos acumulados por los consejeros en materia de pensiones (miles de euros)	351
Remuneración global del consejo de administración (miles de euros)	2.179

C.1.16 Identifique a los miembros de la alta dirección que no sean a su vez consejeros ejecutivos, e indique la remuneración total devengada a su favor durante el ejercicio:

Nombre o denominación social	Cargo
DON LUIS POMPOSO GAZTELU	DIRECTOR GENERAL DE PLANIFICACION CONTROL Y GESTION FINANCIERA DEL GRUPO
DON ERNESTO LAUZIRIKA GARATE	DIRECTOR GENERAL DE INDUSTRIA AUXILIAR ALAVESA, S.A.
DON JOSEBA IÑAKI PEREDA GOMEZ	DIRECTOR GENERAL DE PRODUCTOS TUBULARES, S.A.U
DON ENRIQUE ARRIOLA ALCIBAR	DIRECTOR GENERAL DEL GRUPO TUBOS REUNIDOS
DON DIEGO OTERO MOYANO	DIRECTOR GENERAL DE ALMACENES METALURGICOS, S.A.
DON CARLO LOPEZ DE LAS HERAS	DIRECTOR GENERAL DE TUBOS REUNIDOS INDUSTRIAL, S.L.U.
DON ANTON PIPAON PALACIO	DIRECTOR GENERAL COMERCIAL DEL GRUPO

Remuneración total alta dirección (en miles de euros)	1.804
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C.1.17 Indique, en su caso, la identidad de los miembros del consejo que sean, a su vez, miembros del consejo de administración de sociedades de accionistas significativos y/o en entidades de su grupo:

Detalle, en su caso, las relaciones relevantes distintas de las contempladas en el epígrafe anterior, de los miembros del consejo de administración que les vinculen con los accionistas significativos y/o en entidades de su grupo:

Nombre o denominación social del consejero vinculado:

DON FRANCISCO JOSE ESTEVE ROMERO

Nombre o denominación social del accionista significativo vinculado:

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

Descripción relación:

DIRECTIVO

C.1.18 Indique si se ha producido durante el ejercicio alguna modificación en el reglamento del consejo:

Sí ☐

No ☒

C.1.19 Indique los procedimientos de selección, nombramiento, reelección, evaluación y remoción de los consejeros. Detalle los órganos competentes, los trámites a seguir y los criterios a emplear en cada uno de los procedimientos.

Los Consejeros son designados por la Junta General o, con carácter provisional, por el Consejo de Administración en los supuestos de cooptación.

El Consejo de Administración procurará dentro del ámbito de sus respectivas competencias, que la elección de los candidatos recaiga sobre personas de conocida competencia, experiencia y prestigio.

La COMISION DE NOMBRAMIENTOS Y RETRIBUCIONES tiene asignadas por el Consejo las siguientes funciones, entre otras:

a) Informar las propuestas de nombramientos y reelecciones de Consejeros, así como formular las propuestas de Consejeros Independientes

b) Informar las propuestas de cese de los miembros del Consejo

c) Verificar el carácter de cada Consejero

El procedimiento de reelección es el mismo que el de nombramientos, salvo el sistema de cooptación que no procede.

Es competencia de la COMISIÓN DE NOMBRAMIENTOS Y RETRIBUCIONES:

d) Evaluar las competencias, conocimientos y experiencia necesarios en el Consejo

Los Consejeros cesarán en su cargo cuando haya transcurrido el periodo para el que fueron nombrados salvo que sean reelegidos, sin perjuicio de las competencias de cese de la Junta General y lo previsto en el Reglamento del Consejo.

C.1.20 Indique si el consejo de administración ha procedido durante el ejercicio a realizar una evaluación de su actividad:

Sí ☒

No ☐

En su caso, explique en qué medida la autoevaluación ha dado lugar a cambios importantes en su organización interna y sobre los procedimientos aplicables a sus actividades:

Descripción modificaciones

El resultado de la autoevaluación ha sido muy satisfactorio, razón por la que no se han producido cambios en la organización ni en los procedimientos aplicables a sus actividades.

C.1.21 Indique los supuestos en los que están obligados a dimitir los consejeros.

Los Consejeros deberán poner su cargo a disposición del Consejo de Administración y formalizar, si este lo considera conveniente, la correspondiente dimisión en los siguientes casos (Art. 18 Rgto. del Consejo):

- a) En la fecha en que se celebre la primera Junta General, después de cumplidos los 70 años de edad.
- b) Cuando se vean incursos en alguno de los supuestos de incompatibilidad o prohibición legalmente previstos.
- c) Cuando resulten condenados por un hecho delictivo o sean objeto de una sanción disciplinaria por falta grave o muy grave consecuencia de un expediente instruido por las autoridades supervisoras.
- d) Cuando resulten gravemente amonestados por el Consejo de Administración por haber infringido sus obligaciones como Consejeros.
- e) Cuando cesen en los puestos, cargos o funciones a los que estuviera asociado su nombramiento como Consejeros ejecutivos.
- f) Si se trata de Consejeros externos dominicales, cuando el accionista cuyos intereses representen transmita íntegramente su participación accionarial, o la rebaje en un porcentaje que aconseje la reducción del número de Consejeros externos dominicales por él nombrados.

Los miembros de las Comisiones y Consejeros Delegados cesarán cuando lo hagan en su condición de Consejero.

Los Consejeros que tengan la consideración de ejecutivos, pondrán su cargo ejecutivo a disposición del Consejo, por razón de edad, al cumplir los 65 años.

C.1.22 Indique si la función de primer ejecutivo de la sociedad recae en el cargo de presidente del consejo. En su caso, explique las medidas que se han tomado para limitar los riesgos de acumulación de poderes en una única persona:

Sí ☐

No ☒

Indique y, en su caso explique, si se han establecido reglas que facultan a uno de los consejeros independientes para solicitar la convocatoria del consejo o la inclusión de nuevos puntos en el orden del día, para coordinar y hacerse eco de las preocupaciones de los consejeros externos y para dirigir la evaluación por el consejo de administración

Sí ☐

No ☒

C.1.23 ¿Se exigen mayorías reforzadas, distintas de las legales, en algún tipo de decisión?:

Sí ☐

No ☒

En su caso, describa las diferencias.

C.1.24 Explique si existen requisitos específicos, distintos de los relativos a los consejeros, para ser nombrado presidente del consejo de administración.

Sí ☐

No ☒

C.1.25 Indique si el presidente tiene voto de calidad:

Sí ☒

No ☐

Materias en las que existe voto de calidad

El Presidente tiene facultad de dirimir los empates con su voto, en todos los casos.

C.1.26 Indique si los estatutos o el reglamento del consejo establecen algún límite a la edad de los consejeros:

Sí ☒

No ☐

Edad límite presidente: 70

Edad límite consejero delegado: 65

Edad límite consejero: 70 años

C.1.27 Indique si los estatutos o el reglamento del consejo establecen un mandato limitado para los consejeros independientes, distinto al establecido en la normativa:

Sí ☐

No ☒

C.1.28 Indique si los estatutos o el reglamento del consejo de administración establecen normas específicas para la delegación del voto en el consejo de administración, la forma de hacerlo y, en particular, el número máximo de delegaciones que puede tener un consejero, así como si se ha establecido obligatoriedad de delegar en un consejero de la misma tipología. En su caso, detalle dichas normas brevemente.

De acuerdo con lo previsto en el Reglamento del Consejo, los Consejeros se pueden hacer representar en el Consejo por otros Consejeros, en las formas habituales, sin que exista un número máximo de delegaciones ni la obligatoriedad de delegar en un Consejeros de la misma tipología.

C.1.29 Indique el número de reuniones que ha mantenido el consejo de Administración durante el ejercicio. Asimismo señale, en su caso, las veces que se ha reunido el consejo sin la asistencia de su presidente. En el cómputo se considerarán asistencias las representaciones realizadas con instrucciones específicas.

Número de reuniones del consejo	11
Número de reuniones del consejo sin la asistencia del presidente	0

Indique el número de reuniones que han mantenido en el ejercicio las distintas comisiones del consejo:

Comisión	Nº de Reuniones
Comisión ejecutiva o delegada	3
Comité de auditoría	5
Comisión de nombramientos y retribuciones	3

C.1.30 Indique el número de reuniones que ha mantenido el consejo de Administración durante el ejercicio con la asistencia de todos sus miembros. En el cómputo se considerarán asistencias las representaciones realizadas con instrucciones específicas:

Asistencias de los consejeros	7
% de asistencias sobre el total de votos durante el ejercicio	96,50%

C.1.31 Indique si están previamente certificadas las cuentas anuales individuales y consolidadas que se presentan al consejo para su aprobación:

Sí ☒

No ☐

Identifique, en su caso, a la/s persona/s que ha/han certificado las cuentas anuales individuales y consolidadas de la sociedad, para su formulación por el consejo:

Nombre	Cargo
DON LUIS POMPOSO GAZTELU	DIRECTOR GENERAL DE PLANIFICACION, CONTROL Y GESTION FINANCIERA DEL GRUPO
DON ERNESTO LAUZIRIKA GARATE	DIRECTOR GENERAL DE INAUXA
DON JOSEBA IÑAKI PEREDA GOMEZ	DIRECTOR GENERAL DE PRODUCTOS TUBULARES
DON ENRIQUE ARRIOLA ALCIBAR	DIRECTOR GENERAL DEL GRUPO TUBOS REUNIDOS

C.1.32 Explique, si los hubiera, los mecanismos establecidos por el consejo de Administración para evitar que las cuentas individuales y consolidadas por él formuladas se presenten en la junta general con salvedades en el informe de auditoría.

Los auditores externos presentan a la Comisión de Auditoría y Consejo de Administración el borrador de su informe de auditoría antes de la formulación de las cuentas, para que, en su caso, el Consejo pueda adoptar las medidas oportunas, si lo estima conveniente, para evitar un informe con salvedades.

C.1.33 ¿El secretario del consejo tiene la condición de consejero?

Sí ☒

No ☐

C.1.34 Explique los procedimientos de nombramiento y cese del secretario del consejo, indicando si su nombramiento y cese han sido informados por la comisión de nombramientos y aprobados por el pleno del consejo.

Procedimiento de nombramiento y cese

El artículo 12 del Reglamento del Consejo de Administración establece que el Consejo, PREVIO INFORME DE LA COMISION DE NOMBRAMIENTOS, nombrará un Secretario, que podrá ser o no miembro del Consejo.

En el mismo sentido, el Reglamento del Consejo, en su artículo 23, al determinar las funciones de la Comisión de Nombramientos y Retribuciones, en su apartado d), establece:

g) Informar los nombramientos y ceses del Secretario del Consejo

	Sí	No
¿La comisión de nombramientos informa del nombramiento?	X	
¿La comisión de nombramientos informa del cese?	X	
¿El consejo en pleno aprueba el nombramiento?	X	
¿El consejo en pleno aprueba el cese?	X	

¿Tiene el secretario del consejo encomendada la función de velar, de forma especial, por el seguimiento de las recomendaciones de buen gobierno?

Sí ☒

No ☐

Observaciones

El artículo 12 del Reglamento del Consejo, al regular la figura del Secretario del Consejo, le asigna, entre otras, la siguiente función:

7.- Velar por que los procedimientos y normas de buen gobierno de la sociedad se respeten y revisen periódicamente.

C.1.35 Indique, si los hubiera, los mecanismos establecidos por la sociedad para preservar la independencia de los auditores externos, de los analistas financieros, de los bancos de inversión y de las agencias de calificación.

La propuesta al Consejo respecto al nombramiento del auditor externo, para su sometimiento a la Junta General, corresponde a la Comisión de Auditoría, quien debe velar por la independencia del auditor.

De acuerdo con lo establecido en la Ley 12/2010, de 30 de junio, la Comisión de Auditoría ha recibido de los auditores externos (PWC) confirmación por escrito de su independencia, así como información de los servicios adicionales de cualquier clase prestados a la sociedad o sociedades vinculadas por los auditores o personas vinculadas a estos.

Así mismo, la Comisión de Auditoría, una vez analizado el informe de PWC indicado anteriormente, ha emitido, con carácter previo a la emisión del informe de auditoría de cuentas, un informe en el que ha expresado su opinión dejando constancia de la independencia del auditor y se ha pronunciado sobre la prestación de servicios adicionales a los de auditoría de cuentas.

C.1.36 Indique si durante el ejercicio la Sociedad ha cambiado de auditor externo. En su caso identifique al auditor entrante y saliente:

Sí ☐

No ☒

En el caso de que hubieran existido desacuerdos con el auditor saliente, explique el contenido de los mismos:

C.1.37 Indique si la firma de auditoría realiza otros trabajos para la sociedad y/o su grupo distintos de los de auditoría y en ese caso declare el importe de los honorarios recibidos por dichos trabajos y el porcentaje que supone sobre los honorarios facturados a la sociedad y/o su grupo:

Sí ☒

No ☐

	Sociedad	Grupo	Total
Importe de otros trabajos distintos de los de auditoría (miles de euros)	26	34	60
Importe trabajos distintos de los de auditoría / Importe total facturado por la firma de auditoría (en %)	24,51%	17,44%	19,93%

C.1.38 Indique si el informe de auditoría de las cuentas anuales del ejercicio anterior presenta reservas o salvedades. En su caso, indique las razones dadas por el presidente del comité de auditoría para explicar el contenido y alcance de dichas reservas o salvedades.

Sí ☐

No ☒

C.1.39 Indique el número de ejercicios que la firma actual de auditoría lleva de forma ininterrumpida realizando la auditoría de las cuentas anuales de la sociedad y/o su grupo. Asimismo, indique el porcentaje que representa el número de ejercicios auditados por la actual firma de auditoría sobre el número total de ejercicios en los que las cuentas anuales han sido auditadas:

	Sociedad	Grupo
Número de ejercicios ininterrumpidos	30	30

	Sociedad	Grupo
Nº de ejercicios auditados por la firma actual de auditoría / Nº de ejercicios que la sociedad ha sido auditada (en %)	100,00%	100,00%

C.1.40 Indique y, en su caso detalle, si existe un procedimiento para que los consejeros puedan contar con asesoramiento externo:

Sí ☒

No ☐

Detalle el procedimiento

EL Artículo 25 del Reglamento del Consejo regula el auxilio de expertos para que los Consejeros ejerzan sus funciones:

Con el fin de ser auxiliados en el ejercicio de sus funciones, los Consejeros externos podrán acordar por mayoría la contratación con cargo a la Sociedad de asesores legales, contables, financieros u otros expertos.

El encargo ha de versar necesariamente sobre problemas concretos de cierto relieve y complejidad que se presenten en el desempeño del cargo, con un coste razonable atendiendo a la importancia del problema.

La solicitud de contratar asesores o expertos externos ha de ser formulada al Presidente de la Sociedad y será autorizada por el Consejo de Administración si, a juicio de éste: a) es necesaria para el cabal desempeño de las funciones encomendadas a los Consejeros externos; b) su coste es razonable, a la vista de la importancia del problema y de los activos e ingresos de la Sociedad; c) la asistencia técnica que se recaba no puede ser dispensada adecuadamente por expertos y técnicos de la Sociedad.

En el supuesto de que la solicitud de auxilio de expertos fuere efectuada por cualquiera de las Comisiones del Consejo, no podrá ser denegada, salvo que éste por mayoría de sus componentes considere que no concurren las circunstancias previstas en el párrafo anterior de éste artículo.

Por otra parte, el Consejero ejecutivo, dentro de las facultades otorgadas en su apoderamiento, se incluye la de contratar asesoramiento externo, facultad acorde con su condición de ejecutivo.

De esta forma, todos los Consejeros de la Sociedad, externos, en los términos indicados, o ejecutivos, tienen la posibilidad de acceder a asesoramiento externo para el ejercicio de sus funciones.

C.1.41 Indique y, en su caso detalle, si existe un procedimiento para que los consejeros puedan contar con la información necesaria para preparar las reuniones de los órganos de administración con tiempo suficiente:

Sí ☒

No ☐

Detalle el procedimiento

El Artículo 24 del Reglamento del Consejo establece:

El Consejero podrá recabar, con las más amplias facultades, la información y asesoramiento que precise sobre cualquier aspecto de la Sociedad, siempre que así lo exija el desempeño de sus funciones.

El derecho de información se extiende a las sociedades filiales, sean nacionales o extranjeras, y se canalizará a través del Presidente o Secretario, quien atenderá las solicitudes del Consejero, facilitándole directamente la información, u ofreciéndole los interlocutores apropiados.

El Presidente podrá restringir excepcionalmente y de manera temporal el acceso a informaciones determinadas, dando cuenta de esta decisión al Consejo de Administración.

La información solicitada sólo podrá ser denegada cuando, a juicio del Presidente, sea innecesaria o resulte perjudicial para los intereses sociales. Tal denegación no procederá cuando la solicitud haya sido respaldada por la mayoría de los componentes del Consejo.

C.1.42 Indique y, en su caso detalle, si la sociedad ha establecido reglas que obliguen a los consejeros a informar y, en su caso, dimitir en aquellos supuestos que puedan perjudicar al crédito y reputación de la sociedad:

Sí ☒No ☐**Explique las reglas**

Se incluye dentro de los supuestos en los que los consejeros están obligados a poner su cargo a disposición del Consejo, tal y como se ha indicado anteriormente, de acuerdo con lo previsto en el Artículo 18 del Reglamento del Consejo:

c) Cuando resulten condenados por un hecho delictivo o sean objeto de una sanción disciplinaria por falta grave o muy grave consecuencia de un expediente instruido por las autoridades supervisoras.

C.1.43 Indique si algún miembro del consejo de administración ha informado a la sociedad que ha resultado procesado o se ha dictado contra él auto de apertura de juicio oral, por alguno de los delitos señalados en el artículo 213 de la Ley de Sociedades de Capital:

Sí ☐No ☒

Indique si el consejo de administración ha analizado el caso. Si la respuesta es afirmativa explique de forma razonada la decisión tomada sobre si procede o no que el consejero continúe en su cargo o, en su caso, exponga las actuaciones realizadas por el consejo de administración hasta la fecha del presente informe o que tenga previsto realizar.

C.1.44 Detalle los acuerdos significativos que haya celebrado la sociedad y que entren en vigor, sean modificados o concluyan en caso de cambio de control de la sociedad a raíz de una oferta pública de adquisición, y sus efectos.

La Sociedad no ha celebrado acuerdo alguno de los indicados en este apartado

C.1.45 Identifique de forma agregada e indique, de forma detallada, los acuerdos entre la sociedad y sus cargos de administración y dirección o empleados que dispongan indemnizaciones, cláusulas de garantía o blindaje, cuando éstos dimitan o sean despedidos de forma improcedente o si la relación contractual llega a su fin con motivo de una oferta pública de adquisición u otro tipo de operaciones.

Número de beneficiarios: 0

Tipo de beneficiario:

[Descripción del acuerdo]

Descripción del Acuerdo:

-

Indique si estos contratos han de ser comunicados y/o aprobados por los órganos de la sociedad o de su grupo:

	Consejo de administración	Junta general
Órgano que autoriza las cláusulas	No	No

	Sí	No
¿Se informa a la junta general sobre las cláusulas?		X

C.2 Comisiones del consejo de administración

C.2.1 Detalle todas las comisiones del consejo de administración, sus miembros y la proporción de consejeros dominicales e independientes que las integran:

COMISIÓN DE NOMBRAMIENTOS Y RETRIBUCIONES

Nombre	Cargo	Tipología
DON FRANCISCO JOSE ESTEVE ROMERO	PRESIDENTE	Dominical
DON ENRIQUE PORTOCARRERO ZORRILLA LEQUERICA	VOCAL	Dominical
DON PEDRO ABASOLO ALBONIGA	VOCAL	Otro Externo
DON JORGE GABIOLA MENDIETA	SECRETARIO	Otro Externo

% de consejeros ejecutivos	0,00%
% de consejeros dominicales	50,00%
% de consejeros independientes	0,00%
% de otros externos	50,00%

COMISIÓN DE AUDITORIA

Nombre	Cargo	Tipología
DON ALBERTO JOSE DELCLAUX DE LA SOTA	PRESIDENTE	Dominical
DON ROBERTO VELASCO BARROETABEÑA	VOCAL	Independiente
DON LETICIA ZORRILLA DE LEQUERICA PUIG	VOCAL	Dominical

% de consejeros ejecutivos	0,00%
% de consejeros dominicales	66,60%
% de consejeros independientes	33,40%
% de otros externos	0,00%

COMISIÓN DELEGADA

Nombre	Cargo	Tipología
DON PEDRO ABASOLO ALBONIGA	PRESIDENTE	Otro Externo
DON EMILIO YBARRA AZNAR	VOCAL	Dominical
DON LUIS ALBERTO MAÑAS ANTON	VOCAL	Independiente
DON FRANCISCO JOSE ESTEVE ROMERO	VOCAL	Dominical
DON ENRIQUE PORTOCARRERO ZORRILLA LEQUERICA	VOCAL	Dominical
DON JORGE GABIOLA MENDIETA	SECRETARIO	Otro Externo

% de consejeros ejecutivos	0,00%
% de consejeros dominicales	50,00%
% de consejeros independientes	16,66%
% de otros externos	33,34%

C.2.2 Complete el siguiente cuadro con la información relativa al número de consejeras que integran las comisiones del consejo de administración durante los últimos cuatro ejercicios:

	Número de consejeras							
	Ejercicio 2013		Ejercicio 2012		Ejercicio 2011		Ejercicio 2010	
	Número	%	Número	%	Número	%	Número	%
COMISIÓN DE NOMBRAMIENTOS Y RETRIBUCIONES	0	0,00%	0	0,00%	0	0,00%	0	0,00%
COMISIÓN DE AUDITORIA	1	33,33%	1	25,00%	1	25,00%	1	25,00%
COMISIÓN DELEGADA	0	0,00%	0	0,00%	0	0,00%	0	0,00%

C.2.3 Señale si corresponden al comité de auditoría las siguientes funciones:

	Sí	No
Supervisar el proceso de elaboración y la integridad de la información financiera relativa a la sociedad y, en su caso, al grupo, revisando el cumplimiento de los requisitos normativos, la adecuada delimitación del perímetro de consolidación y la correcta aplicación de los criterios contables	X	
Revisar periódicamente los sistemas de control interno y gestión de riesgos, para que los principales riesgos se identifiquen, gestionen y den a conocer adecuadamente	X	
Velar por la independencia y eficacia de la función de auditoría interna; proponer la selección, nombramiento, reelección y cese del responsable del servicio de auditoría interna; proponer el presupuesto de ese servicio; recibir información periódica sobre sus actividades; y verificar que la alta dirección tiene en cuenta las conclusiones y recomendaciones de sus informes	X	
Establecer y supervisar un mecanismo que permita a los empleados comunicar, de forma confidencial y, si se considera apropiado anónima, las irregularidades de potencial trascendencia, especialmente financieras y contables, que adviertan en el seno de la empresa		X
Elevar al consejo las propuestas de selección, nombramiento, reelección y sustitución del auditor externo, así como las condiciones de su contratación	X	
Recibir regularmente del auditor externo información sobre el plan de auditoría y los resultados de su ejecución, y verificar que la alta dirección tiene en cuenta sus recomendaciones	X	
Asegurar la independencia del auditor externo	X	

C.2.4 Realice una descripción de las reglas de organización y funcionamiento, así como las responsabilidades que tienen atribuidas cada una de las comisiones del consejo.

COMISIÓN EJECUTIVA

La Comisión Ejecutiva tiene capacidad decisoria de ámbito general y, consecuentemente, con delegación expresa de todas las facultades legal o estatutariamente delegables.

A la Comisión Ejecutiva le será de aplicación las mismas normas de funcionamiento previstas para el Consejo de Administración.

COMISION DE AUDITORÍA

La Comisión de Auditoría estará compuesta por 2 miembros como mínimo y 4 como máximo. La mayoría de sus componentes serán consejeros no ejecutivos. Al menos, un integrante de la Comisión de Auditoría deberá ser un consejero externo independiente.

El Consejo de Administración nombrará de entre los miembros de la Comisión de Auditoría un Presidente de la misma. El plazo de ejercicio del cargo de Presidente será de 4 años, pudiendo ser reelegido, en su caso, una vez transcurrido un año desde la fecha de su cese.

El Consejo también designará un Secretario, el cual podrá ser el del Consejo de Administración o uno de los miembros de la Comisión.

La Comisión de Auditoría se reunirá cada vez que lo convoque su Presidente, que deberá hacerlo siempre que el Consejo de Administración o el Presidente de éste lo solicite.

La Comisión de Auditoría se entenderá válidamente constituida cuando concurran a la reunión, presentes o debidamente representados, la mitad más uno de sus miembros.

La Comisión de Auditoría tendrá, como mínimo, las siguientes competencias:

a) En relación con los sistemas de información y control interno:

(i) Supervisar el proceso de elaboración y la integridad de la información financiera relativa a la Sociedad y su Grupo

(ii) Revisar periódicamente los sistemas de control interno y gestión de riesgos.

(iii) Velar por la independencia y eficacia de la función de auditoría interna; proponer la selección, nombramiento, reelección y cese del responsable del servicio de auditoría interna; proponer el presupuesto de ese servicio; recibir información periódica sobre sus actividades; y verificar que la alta dirección tiene en cuenta las conclusiones y recomendaciones de sus informes.

b) En relación con el auditor externo:

(i) Elevar al Consejo las propuestas de selección, nombramiento, reelección y sustitución del auditor externo, así como las condiciones de su contratación.

(ii) Recibir regularmente del auditor externo.

(iii) Asegurar la independencia del auditor externo

- (iv) Respecto del Grupo Tubos Reunidos, la Comisión de Auditoría favorecerá que el auditor del Grupo asuma la responsabilidad de las auditorías de las empresas que lo integren.
- c) En relación con otras funciones, corresponde a la Comisión de Auditoría:
- (i) Informar en la Junta General de Accionistas sobre las cuestiones que en ella planteen los accionistas en materias de su competencia.
 - (ii) Supervisar el proceso de elaboración de las cuentas anuales e informe de gestión.
 - (iii) Informar al Consejo, para su formulación de acuerdo con la Ley, sobre la corrección y fiabilidad de las cuentas anuales e informes de gestión y de la información financiera periódica que se difunda a los mercados.
 - (iv) Emitir los informes y las propuestas que le sean solicitados por el Consejo de Administración o por el Presidente de éste.
 - (v) Realizar el seguimiento en relación con el cumplimiento de los códigos internos de conducta y de las reglas de gobierno corporativo.
- d) Informar al Consejo acerca de la información financiera que la Sociedad deba hacer pública.
- En todo caso, la información financiera o de carácter general sobre la Sociedad o su Grupo que vaya a tener repercusión externa, deberá ser verificada previamente por la Comisión de Auditoría.

COMISION DE NOMBRAMIENTOS Y RETRIBUCIONES

La Comisión de Nombramientos y Retribuciones estará compuesta por un mínimo de 2 miembros y un máximo de 4. Sus miembros serán exclusivamente Consejeros externos.

El Consejo de Administración nombrará de entre los miembros de la Comisión de Nombramientos y Retribuciones un Presidente. También designará un Secretario, el cual podrá ser el del Consejo de Administración o uno de los miembros de la Comisión.

La Comisión de Nombramientos y Retribuciones se reunirá cada vez que lo convoque su Presidente, que deberá hacerlo siempre que el Consejo de Administración o el Presidente de éste lo solicite.

La Comisión de Nombramientos y Retribuciones se entenderá válidamente constituida cuando concurran a la reunión, presentes o debidamente representados, la mitad más uno de sus miembros

La Comisión, en cuanto a Nombramientos se refiere, tendrá las siguientes funciones:

- (a) Informar las propuestas de nombramientos y reelecciones de Consejeros y cargos del Consejo, así como formular las propuestas de Consejeros independientes.
- (b) Informar las propuestas de cese de los miembros del Consejo.
- (c) Verificar el carácter de cada Consejero
- (d) Evaluar las competencias, conocimientos y experiencia necesarios en el Consejo
- (e) Examinar u organizar, de la forma que se entienda adecuada, la sucesión de los cargos del Consejo y de la línea ejecutiva
- (f) Informar anualmente sobre el desempeño de sus funciones por los cargos del Consejo y línea ejecutiva.
- (g) Informar los nombramientos y ceses del Secretario del Consejo y de los Altos Directivos que se propongan al Consejo.
- (h) Informar al Consejo sobre las cuestiones de diversidad de género, y velar para que al proveerse nuevas vacantes los procedimientos de selección no adolezcan de sesgos implícitos

La Comisión, en cuanto a Retribuciones se refiere, tendrá las siguientes funciones:

- (i) Proponer al Consejo la política de retribución de los Consejeros y Altos
- (j) Proponer al Consejo la retribución individual de los Consejeros ejecutivos y las demás condiciones de sus contratos.
- (k) Proponer al Consejo las condiciones básicas de los contratos de los Altos Directivos.
- (l) Velar por la observancia de la política retributiva establecida por la Sociedad.

Para el mejor cumplimiento de sus funciones la Comisión de Retribuciones podrá recabar el asesoramiento de profesionales externos.

C.2.5 Indique, en su caso, la existencia de regulación de las comisiones del consejo, el lugar en que están disponibles para su consulta, y las modificaciones que se hayan realizado durante el ejercicio. A su vez, se indicará si de forma voluntaria se ha elaborado algún informe anual sobre las actividades de cada comisión.

Las Comisiones del Consejo están reguladas en el Reglamento del Consejo de Administración, el cual está disponible en la página web de la Sociedad (www.tubosreunidos.com) en el apartado de "Accionistas e Inversores". Así mismo el Reglamento se puede consultar en la página web de la CNMV. En el ejercicio 2013 no se ha producido ninguna modificación en su regulación. Respecto a los Informes sobre sus actividades, la Comisión de Auditoría emite un Informe anual que se presenta a la Junta General ordinaria.

C.2.6 Indique si la composición de la comisión delegada o ejecutiva refleja la participación en el consejo de los diferentes consejeros en función de su condición:

Sí ☒

No ☐

D OPERACIONES VINCULADAS Y OPERACIONES INTRAGRUPO

D.1 Identifique al órgano competente y explique, en su caso, el procedimiento para la aprobación de operaciones con partes vinculadas e intragrupo.

Órgano competente para aprobar las operaciones vinculadas

El Consejo de Administración

Procedimiento para la aprobación de operaciones vinculadas

No existe un procedimiento formal y escrito para la aprobación de operaciones con partes vinculadas e intagrupos, si bien, en la medida en que en las operaciones vinculadas se puede dar un supuesto de conflicto de intereses, el procedimiento aplicable será el que se indica en el apartado D.6 siguiente

Explique si se ha delegado la aprobación de operaciones con partes vinculadas, indicando, en su caso, el órgano o personas en quien se ha delegado.

No se ha producido delegación alguna.

D.2 Detalle aquellas operaciones significativas por su cuantía o relevantes por su materia realizadas entre la sociedad o entidades de su grupo, y los accionistas significativos de la sociedad:

D.3 Detalle las operaciones significativas por su cuantía o relevantes por su materia realizadas entre la sociedad o entidades de su grupo, y los administradores o directivos de la sociedad:

D.4 Informe de las operaciones significativas realizadas por la sociedad con otras entidades pertenecientes al mismo grupo, siempre y cuando no se eliminen en el proceso de elaboración de estados financieros consolidados y no formen parte del tráfico habitual de la sociedad en cuanto a su objeto y condiciones.

En todo caso, se informará de cualquier operación intragrupo realizada con entidades establecidas en países o territorios que tengan la consideración de paraíso fiscal:

D.5 Indique el importe de las operaciones realizadas con otras partes vinculadas.

(en miles de Euros).

D.6 Detalle los mecanismos establecidos para detectar, determinar y resolver los posibles conflictos de intereses entre la sociedad y/o su grupo, y sus consejeros, directivos o accionistas significativos.

De acuerdo con lo previsto en el Reglamento Interno de Conducta, todas las personas vinculadas sometidas al mismo deben informar al Secretario del Consejo de Administración de cualquier situación de posible conflicto de intereses, con una antelación mínima de 15 días y, en todo caso, antes de tomar la decisión que pudiera quedar afectada por el posible conflicto de interés. Si el Secretario del Consejo entiende que hay conflicto de interés y/o se trata de una operación vinculada, lo elevará al Consejo de Administración para que adopte la decisión oportuna al respecto.

D.7 ¿Cotiza más de una sociedad del Grupo en España?

Sí ☐

No ☒

Identifique a las sociedades filiales que cotizan en España:

E SISTEMAS DE CONTROL Y GESTION DE RIESGOS

E.1 Explique el alcance del Sistema de Gestión de Riesgos de la sociedad.

Las actividades desarrolladas por las diferentes sociedades que integran el Grupo Tubos Reunidos están sujetas a las contingencias habituales de cualquier negocio industrial de transformación y por tanto expuestas a riesgos que, de materializarse, impedirían o dificultarían la consecución de los objetivos fijados.

En ningún caso son riesgos de alta gravedad y de carácter excepcional, más allá de los inherentes al propio negocio en sí. El Grupo tiene definidas cuatro categorías de riesgos y ha establecido un Sistema de Control de Riesgos adaptado a cada una de dichas categorías:

- Riesgos Estratégicos. Aquellos que se consideran claves directamente relacionados con la toma de decisiones estratégicas
- Riesgos Operacionales. Aquellos que afectan a la gestión operativa en todas y cada de las diferentes áreas de actividad del negocio.
- Riesgos de Fiabilidad de la información económico-financiera. Que afectan directamente a la información reportada a la Organización y/o a terceros.
- Riesgos de Cumplimiento. Que afectan al cumplimiento de las normas regulatorias internas o externas (medioambientales, laborales, legales, fiscales, etc...)

Para todo ello tiene desarrollados Manuales de Procedimientos, Sistemas de Gestión Integrada, Auditorías externas e internas, periódicas y recurrentes, y Mapas de Riesgo que permiten:

- Identificar y evaluar los riesgos clave en cada área de negocio
- Conocer los riesgos asumidos y los riesgos a evitar
- Establecer sistemas de control interno y externo
- Elaborar planes de acción necesarios para mitigar riesgos identificados.

E.2 Identifique los órganos de la sociedad responsables de la elaboración y ejecución del Sistema de Gestión de Riesgos.

A solicitud y demanda del Consejo de Administración y su Comisión de Auditoría, las Direcciones Generales de cada una de las sociedades del Grupo son las responsables de la elaboración de los Manuales de Procedimiento, Sistemas de Gestión y Mapas de Riesgo para cada una de las áreas de actividad del negocio del Grupo.

Definidos los Manuales y Mapas de Riesgo, la elaboración y ejecución de los Sistemas de Control de Riesgos es responsabilidad de las Direcciones Generales de las unidades de negocio con la coordinación de la Dirección General de Planificación y Control y la colaboración, en su caso, de apoyo externo.

La Ley 12/2010, de 30 de Junio delegó en la Comisión de Auditoría la supervisión de los servicios de auditoría interna y de conocimiento de la información financiera así como de los Sistemas de Gestión de Riesgos. Periódicamente la Comisión recibe un informe, preparado por las Direcciones Operativas, de seguimiento de Riesgos y Planes de Acción

E.3 Señale los principales riesgos que pueden afectar a la consecución de los objetivos de negocio.

En el ámbito operativo hay que señalar el carácter cíclico del negocio principal de fabricación y venta de tubos de acero sin soldadura según el crecimiento o reducción de la demanda internacional. El Grupo se protege de este riesgo con la diversificación de mercados y productos, una alta presencia internacional y una elevada capacidad de flexibilidad de oferta, adaptada a las diferentes zonas del mundo generadoras de demanda energética.

El Grupo Tubos Reunidos exporta una parte significativa de sus ventas, por lo que está sometido a la variable del tipo cambio de divisas. El Grupo se cubre de las diferencias de cambio mediante los sistemas habituales de aseguramiento a través de las entidades financieras cumpliendo un Procedimiento aprobado y supervisado por la Comisión de Auditoría.

En la Memoria de las Cuentas Anuales Consolidadas, se informa en detalle de la Gestión del Riesgo Financiero. En concreto, de los factores de riesgo (riesgo mercado, riesgo de crédito, riesgo de liquidez, riesgo de variación en los precios de las materias primas) de las operaciones de cobertura, de la estimación del valor razonable y de la gestión de riesgo de capital.

Respecto al riesgo de insolvencia o morosidad de clientes, está cubierto con carácter general en las sociedades del grupo con los correspondientes seguros de crédito, cuyos límites y normas son de estricta aplicación y cumplimiento.

En el ámbito patrimonial, el Grupo tiene contratadas pólizas de seguro con capital suficiente para cubrir los riesgos a que están sujetos los bienes de inmovilizado material y existencias, así como la pérdida de margen por la paralización de la actividad industrial debido a siniestros ocurridos en dichos bienes.

En el área medioambiental, el Grupo cuenta con instalaciones destinadas a los trabajos de protección y mejora del medio ambiente, y cuenta con un plan estratégico medioambiental que ha permitido la obtención de la certificación ISO 14001. Todo ello es fruto del cumplimiento estricto de la legislación vigente, de protocolos y acuerdos voluntarios con la Administración y de iniciativas individuales y sectoriales. Asimismo tiene contratada la correspondiente póliza de responsabilidad medioambiental.

En materia de seguridad y prevención de riesgos laborales, están implantados Sistemas de Gestión Integrada de Prevención de Riesgos Laborales, que establecen las correspondientes directrices de actuación, y cuyo objetivo es eliminar o reducir al máximo las lesiones en las personas. El Grupo cuenta con la Certificación del sistema de gestión de la Prevención según norma OHSAS 18001.2007 en vigor hasta 2015 tras haber superado de nuevo la revisión de auditoría de 2013.

E.4 Identifique si la entidad cuenta con un nivel de tolerancia al riesgo.

El Grupo mantiene una posición muy conservadora en lo que se refiere a la exposición al riesgo, sea operativo, financiero, tecnológico o reputacional, por lo que es objetivo prioritario evaluar y mitigar los riesgos al máximo.

E.5 Indique qué riesgos se han materializado durante el ejercicio.

No se ha materializado ningún riesgo a lo largo de este ejercicio.

E.6 Explique los planes de respuesta y supervisión para los principales riesgos de la entidad.

Para las categorías de Riesgos Operacionales, Riesgos de Fiabilidad de la información económico-financiera y Riesgos de Cumplimiento se establece un calendario de revisiones y auditorías que son aprobados por el Consejo de Administración, a propuesta de la Comisión de Auditoría.

Realizadas las correspondientes auditorías, y en base a los informes reportados, se elaboran los correspondientes Planes de Acción que son preparados por las Direcciones Operativas, aprobados por la Dirección General de cada una de las Unidades de Negocio, supervisados por la Comisión de Auditoría y ejecutados por las correspondientes Direcciones Generales del Grupo.

Además el Grupo tiene suscritas diferentes Pólizas de cobertura de riesgos de sus actividades.

F SISTEMAS INTERNOS DE CONTROL Y GESTIÓN DE RIESGOS EN RELACIÓN CON EL PROCESO DE EMISIÓN DE LA INFORMACIÓN FINANCIERA (SCIIF)

Describa los mecanismos que componen los sistemas de control y gestión de riesgos en relación con el proceso de emisión de información financiera (SCIIF) de su entidad.

F.1 Entorno de control de la entidad

Informe, señalando sus principales características de, al menos:

F.1.1. Qué órganos y/o funciones son los responsables de: (i) la existencia y mantenimiento de un adecuado y efectivo SCIIF; (ii) su implantación; y (iii) su supervisión.

La responsabilidad última de la existencia y mantenimiento de un adecuado y efectivo Sistema de Control Interno en relación con el proceso de emisión de la Información Financiera (SCIIF) corresponde al Consejo de Administración, si bien su implantación y supervisión es asumida por la Comisión de Auditoría, órgano que tiene delegadas en la Dirección General de Planificación, Control y Gestión Financiera (DGPCGF) las tareas de diseño y verificación de la efectiva implantación del SCIIF.

En este sentido, y de forma expresa, el Artículo 22 del Reglamento del Consejo de Administración, aprobado el 23 de febrero de 2012 y del que se informó en la Junta General celebrada el 3 de mayo de 2012, establece, entre otras las siguientes responsabilidades de la Comisión de Auditoría:

- (i) Supervisar el proceso de elaboración y la integridad de la información financiera relativa a la Sociedad y su Grupo, revisando el cumplimiento de los requisitos normativos, la adecuada delimitación del perímetro de consolidación y la correcta aplicación de los criterios contables.
- (ii) Revisar periódicamente los sistemas de control interno y gestión de riesgos para que los principales riesgos se identifiquen, gestionen y den a conocer adecuadamente. Discutir con los auditores las debilidades significativas del sistema de control interno detectadas en el desarrollo de la auditoría.
- (iii) Supervisar el proceso de elaboración de las cuentas anuales e informes de gestión, individuales y consolidados, para su formulación por el Consejo de acuerdo con la Ley.
- (iv) Realizar el seguimiento en relación con el cumplimiento de los códigos internos de conducta y de las reglas de gobierno corporativo.

La Dirección General de Planificación, Control y Gestión Financiera (DGPCGF) se apoya, para la ejecución de las tareas que le han sido delegadas en este ámbito por la Comisión de Auditoría, en asesores externos, que son los encargados de ejecutar, bajo su supervisión, los trabajos de revisión del control interno del Grupo.

F.1.2. Si existen, especialmente en lo relativo al proceso de elaboración de la información financiera, los siguientes elementos:

- Departamentos y/o mecanismos encargados: (i) del diseño y revisión de la estructura organizativa; (ii) de definir claramente las líneas de responsabilidad y autoridad, con una adecuada distribución de tareas y funciones; y (iii) de que existan procedimientos suficientes para su correcta difusión en la entidad.

El Grupo cuenta con una estructura organizativa única, aprobada y divulgada (en la página web de la CNMV) hasta el cargo de Director General de cada unidad de negocio.

Cada unidad de negocio cuenta con su propia estructura organizativa debidamente documentada, formalizada y divulgada por cada departamento de Recursos Humanos y aprobada por cada Director General. En la misma se refleja, de forma genérica, el ámbito de actuación y responsabilidad de cada departamento y de los miembros que lo forman.

Por lo que respecta al ámbito del SCIIF, el Grupo tiene identificados los principales controles establecidos en las sociedades más relevantes del mismo (Tubos Reunidos, S.A., Tubos Reunidos Industrial, S.L. y Productos Tubulares, S.A.) para gestionar de forma oportuna y mitigar hasta un nivel razonable los principales riesgos relacionados con el

proceso de generación y emisión de la información financiera, así como los responsables de la efectiva ejecución y supervisión de cada uno de estos controles. Este proceso es dirigido por la Dirección General de Planificación, Control y Gestión Financiera (DGPCGF), quien se apoya en las diferentes Direcciones Financieras de las filiales, y es supervisado por la Comisión de Auditoría.

- Código de conducta, órgano de aprobación, grado de difusión e instrucción, principios y valores incluidos (indicando si hay menciones específicas al registro de operaciones y elaboración de información financiera), órgano encargado de analizar incumplimientos y de proponer acciones correctoras y sanciones.

El Grupo cuenta con un "Reglamento Interno de Conducta" (en adelante, el Reglamento), aprobado por el Consejo de Administración con fecha 24 de julio de 2003, en el que se establecen los principios de actuación que deben regir el comportamiento de los miembros del Consejo de Administración y Alta Dirección de Tubos Reunidos, S.A. y de las sociedades de su Grupo. Este Reglamento se encuentra publicado en la página web de la CNMV. A los efectos de evidenciar la adhesión al mismo por parte de las personas sujetas, el Secretario del Consejo de Administración mantiene actualizada una relación de estas personas y facilita a las mismas un ejemplar del Reglamento.

En este sentido, y entre otras cuestiones, el Reglamento establece que:

- La actuación de los Administradores debe desarrollarse "respetando la normativa vigente, cumpliendo de buena fe los contratos explícitos e implícitos con los trabajadores, proveedores, clientes y entidades; y, en general, observando un comportamiento ético que razonablemente imponga una conducción de los negocios de acuerdo con los deberes de diligente administración y fidelidad, lealtad y secreto", y que,
- El contenido de la comunicación a la CNMV de cualquier información relevante (toda aquella cuyo conocimiento pueda afectar razonablemente a un inversor para adquirir o transmitir valores o instrumentos financieros, y por tanto pueda influir de forma sensible en su cotización en un mercado secundario) "deberá ser veraz, claro, completo y, cuando así lo exija la naturaleza de la información, cuantificado, de manera que no induzca a confusión o engaño".

El órgano de seguimiento de lo previsto en el Reglamento es la Secretaría del Consejo de Administración de Tubos Reunidos, S.A.

Asimismo, en el ejercicio 2012 se elaboró el documento de "Pautas de Actuación con relación a la Información Financiera", el cual tiene por objeto "establecer los valores y principios que han de presidir la actuación profesional y personal de los administradores, directivos y demás empleados del Grupo Tubos Reunidos con responsabilidades en el proceso de preparación, revisión y difusión de la información financiera, con el fin de asegurar la transparencia y fiabilidad de la misma así como el cumplimiento de la normativa aplicable". En particular, se establece la obligación de que las personas con responsabilidades concretas asignadas en el proceso de elaboración, revisión y difusión de la Información Financiera del Grupo Tubos Reunidos certifiquen, de acuerdo con la periodicidad establecida, con total honestidad, el grado de cumplimiento de los distintos controles de cuya ejecución y/o supervisión son responsables. Asimismo, se colaborará en todo momento y se facilitará el trabajo de los responsables de la revisión y supervisión del Sistema de Gestión de Riesgos y Control Interno sobre la Información Financiera del Grupo Tubos Reunidos, atendiendo a sus requerimientos de información y documentación en el menor plazo de tiempo posible y proporcionando en todo momento explicaciones y/o documentación veraz y completa.

Por último, este documento establece de forma expresa, entre las responsabilidades de la Comisión de Auditoría, la revisión periódica de los sistemas de control interno y gestión de riesgos, para que los principales riesgos se identifiquen, gestionen y den a conocer adecuadamente. Asimismo, entre sus competencias se encuentra la de supervisar el proceso de elaboración y la integridad de la información financiera, revisando el cumplimiento de los requisitos normativos, la adecuada delimitación del perímetro de consolidación y la correcta aplicación de los criterios contables.

- Canal de denuncias, que permita la comunicación al comité de auditoría de irregularidades de naturaleza financiera y contable, en adición a eventuales incumplimientos del código de conducta y actividades irregulares en la organización, informando en su caso si éste es de naturaleza confidencial.

A la fecha del presente informe, la Sociedad y su Grupo no dispone de una canal de denuncias, debido a la dificultad de establecer un mecanismo eficaz y operativo, que evite la comunicación de hechos e irregularidades falsas o basadas en meros rumores no contrastados, que puedan tener como finalidad el menoscabo del prestigio personal o profesional de quienes forman parte del Grupo. La Comisión de Auditoría continúa analizando su posible aplicación.

No obstante, cada unidad de negocio dispone de buzones de sugerencias.

- Programas de formación y actualización periódica para el personal involucrado en la preparación y revisión de la información financiera, así como en la evaluación del SCIIF, que cubran al menos, normas contables, auditoría, control interno y gestión de riesgos.

Cada unidad de negocio cuenta con programas de formación definidos y formalizados. Las áreas de Recursos Humanos elaboran planes anuales en los que prevén las necesidades de especialización y grados de formación de los distintos niveles de sus correspondientes plantillas. Estos planes son presentados para su aprobación a la Dirección General de cada unidad de negocio.

La Dirección General de Planificación, Control y Gestión Financiera (DGPCGF) y las Direcciones Financieras de las distintas sociedades del Grupo mantienen contacto permanente con sus auditores externos a los efectos de estar al corriente de aquellas novedades normativas que en materia contable y de gestión de riesgos y control interno de la información financiera les pudieran afectar y les proporcionan material y ayudas para su actualización. Asimismo, la Dirección General de Planificación, Control y Gestión Financiera (DGPCGF) mantiene un contacto permanente con las direcciones financieras de las diferentes sociedades y unidades de negocio a los efectos de compartir y difundir estas novedades y aquellas dudas de interpretación de principios contables que pudieran surgir.

F.2 Evaluación de riesgos de la información financiera

Informe, al menos, de:

F.2.1. Cuáles son las principales características del proceso de identificación de riesgos, incluyendo los de error o fraude, en cuanto a:

- Si el proceso existe y está documentado.

El Grupo cuenta con un Mapa de Riesgos operacionales documentado y formalizado

- Si el proceso cubre la totalidad de objetivos de la información financiera, (existencia y ocurrencia; integridad; valoración; presentación, desglose y comparabilidad; y derechos y obligaciones), si se actualiza y con qué frecuencia.

El Mapa de Riesgos se actualiza anualmente y sirve de base para el trabajo de la función de auditoría interna. Este Mapa de Riesgos se divide en las siguientes áreas de actividad: Clientes/Ventas, Existencias/Almacenes, Compras/Proveedores, Tesorería y Legal.

Los riesgos identificados son revisados anualmente dentro del proceso de revisión del control interno realizado.

- La existencia de un proceso de identificación del perímetro de consolidación, teniendo en cuenta, entre otros aspectos, la posible existencia de estructuras societarias complejas, entidades instrumentales o de propósito especial.

Por lo que respecta al proceso de identificación de riesgos con relación al proceso de generación y emisión de la información financiera, éste se enmarca dentro de las responsabilidades atribuidas a la Dirección General de Planificación, Control y Gestión Financiera (DGPCGF) por parte de la Comisión de Auditoría. Para el cumplimiento de estas responsabilidades, la Dirección General de Planificación, Control y Gestión Financiera (DGPCGF) se apoya en las Direcciones Financieras de las distintas sociedades del Grupo, en la medida en que las mismas resultan significativas en el contexto de las cuentas anuales consolidadas, así como en el asesor externo que colabora en las labores de Auditoría Interna.

Este proceso de identificación de riesgos tiene, de forma resumida, las siguientes características:

- Análisis de las cuentas anuales consolidadas del ejercicio con el fin de identificar los epígrafes de los estados financieros y desgloses relevantes,
 - Sobre la base de esta información, se identifican aquellos procesos desde los cuales se procesan las transacciones que finalmente son objeto de reflejo en los mencionados epígrafes y desgloses relevantes,
 - Finalmente, se identifican y priorizan los riesgos relevantes que para cada uno de los mencionados procesos pueden derivar en errores en el proceso de generación y emisión de la información financiera. En este sentido, cada riesgo identificado se relaciona con uno o varios de los errores potenciales del proceso de generación y emisión de la información financiera, como son el de Integridad, Exactitud, Existencia y Ocurrencia, Corte, Valoración y Presentación.
- Si el proceso tiene en cuenta los efectos de otras tipologías de riesgos (operativos, tecnológicos, financieros, legales, reputacionales, medioambientales, etc.) en la medida que afecten a los estados financieros.

Se tienen en cuenta todos los riesgos en la medida en que puedan afectar a los estados financieros.

- Qué órgano de gobierno de la entidad supervisa el proceso.

La supervisión de todo lo relacionado con el Mapa de Riesgos y el SCIIF corresponde a la Comisión de Auditoría.

F.3 Actividades de control

Informe, señalando sus principales características, si dispone al menos de:

F.3.1. Procedimientos de revisión y autorización de la información financiera y la descripción del SCIIF, a publicar en los mercados de valores, indicando sus responsables, así como de documentación descriptiva de los flujos de actividades y controles (incluyendo los relativos a riesgo de fraude) de los distintos tipos de transacciones que puedan afectar de modo material a los estados financieros, incluyendo el procedimiento de cierre contable y la revisión específica de los juicios, estimaciones, valoraciones y proyecciones relevantes.

El proceso de preparación y revisión de la información financiera a publicar en los mercados de valores se estructura sobre la base del calendario de cierre y publicación de las cuentas anuales preparado, para cada período de publicación, por la Dirección General de Planificación, Control y Gestión Financiera (DGPCGF). De acuerdo con este calendario:

- Las cuentas anuales de Tubos Reunidos, S.A. así como las cuentas anuales consolidadas de Tubos Reunidos, S.A. y Sociedades dependientes son elaboradas por la Dirección General de Planificación, Control y Gestión Financiera (DGPCGF).
- Las cuentas anuales así elaboradas son remitidas a la Comisión de Auditoría, quien procede a su revisión con carácter previo a su envío al Consejo de Administración.
- Una vez revisadas por parte de la Comisión de Auditoría, las cuentas anuales son remitidas al Consejo de Administración con el fin de que procedan a su revisión con carácter previo a su formulación.

Una vez formuladas las cuentas anuales por parte del Consejo de Administración, el Responsable de Consolidación, por delegación del Secretario del Consejo de Administración, que es la única persona con certificado digital autorizado para enviar la información financiera a la CNMV, carga la información correspondiente en la aplicación de la CNMV. Una vez cargada, esta información es revisada por el Secretario del Consejo de Administración, quien procede a su envío.

Respecto de la publicación de hechos relevantes, y como se ha descrito anteriormente, el propio "Reglamento Interno de Conducta" del Grupo define qué debe entenderse por información relevante así como que las pautas que deben seguirse para su difusión. En particular, establece que "la comunicación a la CNMV se hará con carácter previo a su difusión por cualquier otro medio y tan pronto como sea conocido el hecho, se haya adoptado la decisión o firmado el acuerdo o contrato con terceros de que se trate", así como una serie de obligaciones y actuaciones a realizar durante las fases de estudio o negociación de cualquier tipo de operación jurídica o financiera que pueda influir de manera apreciable en la cotización de los valores o instrumentos financieros afectados, de forma que se garantice la debida confidencialidad y buen uso de la información. El seguimiento del cumplimiento de estas obligaciones es responsabilidad del Secretario del Consejo de Administración quien, conjuntamente con el Director de Relación con Inversores redacta el hecho relevante para su comunicación a la CNMV.

El Grupo Tubos Reunidos, y para las sociedades más relevantes del mismo (Tubos Reunidos, S.A., Tubos Reunidos Industrial, S.L. y Productos Tubulares, S.A.), tiene identificados los principales controles que permiten una gestión adecuada y mitigación del impacto, en su caso, de cada uno de los riesgos con relación al proceso de generación y emisión de la información financiera identificados y documentados en la Matriz de Riesgos de información financiera del Grupo. Para cada uno de estos controles, el Grupo ha identificado el responsable de su ejecución y supervisión así como la evidencia que permite soportar la operatividad del mismo, y que se constituye como la base del trabajo de revisión del control interno. Esta información se ha documentado y estructurado mediante las correspondientes Matrices de Riesgos-Controles.

El Grupo ha continuado durante el ejercicio 2013 con la ejecución del sistema establecido en el ejercicio 2012 mediante el cual cada responsable de ejecutar y/o supervisar cada uno de los controles establecidos mencionados en el párrafo anterior debe reportar, con la periodicidad preestablecida en cada caso, el grado de cumplimiento de los mismos, adjuntando, en caso de que así se haya definido, las evidencias correspondientes que acrediten su debida ejecución y/o supervisión.

Mensualmente, la Dirección General de Planificación, Control y Gestión Financiera (DGPCGF) revisa el estado de los distintos controles y analiza, en su caso, conjuntamente con las direcciones financieras de las sociedades más relevantes del Grupo, las posibles incidencias. La DGPCGF informa periódicamente del grado de cumplimiento del sistema a la Comisión de Auditoría para su supervisión.

El proceso de cierre contable se encuentra documentado en las sociedades más relevantes (Tubos Reunidos, S.A., Tubos Reunidos Industrial, S.L. y Productos Tubulares, S.A.) a través de un checklist de cierre contable, el cual incluye las principales tareas a realizar en el proceso así como los responsables de la ejecución de cada una de las mismas. Este checklist es debidamente cumplimentado por cada una de las personas involucradas en cada proceso de cierre contable. Por lo que respecta a los procedimientos y controles establecidos con relación a los juicios, estimaciones y proyecciones relevantes, el Grupo, a través de su Matriz de Riesgos-Controles, mantiene identificados los principales riesgos relacionados con estos aspectos, así como los controles establecidos para asegurar su adecuada gestión. En particular, se han identificado como principales ámbitos expuestos a juicios y estimaciones los relacionados con:

- La estimación del valor recuperable de los activos fijos, existencias y cuentas a cobrar,
- La valoración de las existencias de producto en curso y terminado así como de los instrumentos financieros derivados, y
- El registro de provisiones de cualquier naturaleza.

De forma resumida, los controles establecidos a este respecto pueden resumirse en la identificación clara de las responsabilidades en lo que a la identificación de posibles pasivos, la realización de las estimaciones correspondientes y su revisión se refiere.

Asimismo, el Grupo Tubos Reunidos, y para las dos sociedades más relevantes del mismo (Tubos Reunidos Industrial, S.L. y Productos Tubulares, S.A.), dispone de procesos documentados de "Riesgo de Cobro (impago/morosidad)", "Discrepancias entre unidades físicas y registradas en el sistema informático, materia prima", "Discrepancias entre unidades físicas y registradas en el sistema informático, producto terminado", "Riesgo de salidas de material sin facturar", "Compras no debidamente autorizadas/entradas incorrectas/registro de facturas", "Riesgo de divisa", "Ciclo de Ventas", "Contrataciones no autorizadas", "Discrepancias entre la información contable y los extractos bancarios" y "Emisión de facturas incorrectas", los cuales incluyen la tipología de transacciones para cada proceso, los procedimientos de su registro y contabilización y los controles realizados por el Grupo Tubos Reunidos.

F.3.2. Políticas y procedimientos de control interno sobre los sistemas de información (entre otras, sobre seguridad de acceso, control de cambios, operación de los mismos, continuidad operativa y

segregación de funciones) que soporten los procesos relevantes de la entidad en relación a la elaboración y publicación de la información financiera.

El Grupo cuenta con procedimientos formalmente aprobados y formalizados en materia de Tecnologías de la Información, que incluyen análisis periódicos de la evolución de todos los sistemas en su conjunto. Asimismo, los auditores externos realizan anualmente una revisión en materia de Tecnologías de la Información. Las debilidades detectadas, en su caso, así como las recomendaciones propuestas, son objeto de análisis y, en su caso, seguimiento, por parte de las direcciones de las distintas sociedades del Grupo.

F.3.3. Políticas y procedimientos de control interno destinados a supervisar la gestión de las actividades subcontratadas a terceros, así como de aquellos aspectos de evaluación, cálculo o valoración encomendados a expertos independientes, que puedan afectar de modo material a los estados financieros.

En el proceso de identificación de los procesos desde los cuales se procesan las transacciones que finalmente son objeto de reflejo en los mencionados epígrafes y desgloses relevantes, así como de los riesgos relevantes que para cada uno de los mencionados procesos pueden derivar en errores en el proceso de generación y emisión de la información financiera, no se han puesto de manifiesto actividades subcontratadas a terceros que pudieran tener un impacto material en los estados financieros.

Por lo que respecta a las valoraciones de los instrumentos financieros derivados, las Direcciones Financieras de las sociedades que en cada caso puedan tener instrumentos de esta naturaleza en vigor al cierre del periodo, obtienen las correspondientes valoraciones de las distintas entidades financieras con las que se han contratado estos productos. Estas valoraciones son objeto de revisión por parte de las Direcciones Financieras, quienes realizan sus propias estimaciones y comparan con las obtenidas de las entidades financieras. En caso de discrepancia, se contacta con las entidades financieras para aclarar las mismas y, en su caso, obtener nuevas valoraciones.

F.4 Información y comunicación

Informe, señalando sus principales características, si dispone al menos de:

F.4.1. Una función específica encargada de definir, mantener actualizadas las políticas contables (área o departamento de políticas contables) y resolver dudas o conflictos derivados de su interpretación, manteniendo una comunicación fluida con los responsables de las operaciones en la organización, así como un manual de políticas contables actualizado y comunicado a las unidades a través de las que opera la entidad.

La responsabilidad de definir y mantener actualizadas las políticas contables del Grupo está atribuida a la Dirección General de Planificación, Control y Gestión Financiera (DGPCGF) quien, con este propósito, realiza, entre otras, las siguientes actividades:

- Reunión anual con los auditores externos para actualización de novedades contables y nuevos desgloses de información en cuentas anuales.
- Contacto permanente con los responsables financieros y de administración de las filiales para trasladar a los mismos las principales novedades en materia contable.
- Resolución de cualquier duda contable que pueda plantearse por parte de las distintas sociedades del Grupo.

Con el fin de reforzar el control sobre la información financiera y asegurar una completa homogeneidad en cuanto al tratamiento contable de las distintas operaciones en todo el Grupo, se está desarrollando un Manual de Políticas Contables que incluye las principales políticas y criterios contables adoptados por el mismo.

F.4.2. Mecanismos de captura y preparación de la información financiera con formatos homogéneos, de aplicación y utilización por todas las unidades de la entidad o del grupo, que soporten los estados financieros principales y las notas, así como la información que se detalle sobre el SCIIF.

El proceso de reporting y consolidación del Grupo es responsabilidad de la Dirección General de Planificación, Control y Gestión Financiera (DGPCGF) y, en particular, del Responsable de Consolidación. De esta forma, y con carácter mensual, el Responsable de Consolidación envía un calendario de reporting a los responsables financieros y administrativos de las distintas sociedades del Grupo, con el fin de asegurar la recepción de la información con tiempo suficiente que permita la preparación de los estados financieros consolidados de acuerdo con el calendario establecido. La información de las filiales es reportada por las mismas empleando para ello un "Paquete de Reporting de Consolidación" estandarizado en formato Excel, el cual es enviado por el Responsable de Consolidación. Todos los años, y con carácter

previo al envío de las instrucciones de reporting a las filiales de cara al cierre anual, el Responsable de Consolidación se reúne con los auditores externos a los efectos de que éstos revisen el contenido del "Paquete de Reporting de Consolidación" y el mismo sea, en su caso, objeto de actualización, de acuerdo con los nuevos requerimientos de información en las cuentas anuales.

Los paquetes de reporting recibidos de las filiales para la preparación de las cuentas anuales consolidadas del Grupo correspondientes al cierre del ejercicio, son auditados por parte de los auditores externos. Asimismo, estos paquetes de consolidación son revisados por el Responsable de Consolidación.

El Grupo cuenta con una aplicación de consolidación que permite una agregación de los estados financieros de las distintas sociedades del Grupo así como la realización de los asientos de consolidación.

F.5 Supervisión del funcionamiento del sistema

Informe, señalando sus principales características, al menos de:

- F.5.1. Las actividades de supervisión del SCIIF realizadas por el comité de auditoría así como si la entidad cuenta con una función de auditoría interna que tenga entre sus competencias la de apoyo al comité en su labor de supervisión del sistema de control interno, incluyendo el SCIIF. Asimismo se informará del alcance de la evaluación del SCIIF realizada en el ejercicio y del procedimiento por el cual el encargado de ejecutar la evaluación comunica sus resultados, si la entidad cuenta con un plan de acción que detalle las eventuales medidas correctoras, y si se ha considerado su impacto en la información financiera.

Entre las funciones asumidas por la Comisión de Auditoría se encuentra la de revisar periódicamente los sistemas de control interno y gestión de riesgos, para que los principales riesgos se identifiquen, gestionen y den a conocer adecuadamente. Asimismo, entre sus competencias se encuentra la de supervisar el proceso de elaboración y la integridad de la información financiera, revisando el cumplimiento de los requisitos normativos, la adecuada delimitación del perímetro de consolidación y la correcta aplicación de los criterios contables.

Para el desempeño de estas funciones, la Comisión de Auditoría se apoya en la función de auditoría interna, formalmente constituida, documentado su contenido y aprobada. Esta función, asimismo, externaliza ciertas labores a una empresa de servicios profesionales. A la hora de definir esta función se tuvieron en cuenta todos los aspectos críticos que han de contemplarse y, en particular:

- Posición en el organigrama, de forma que se garantice la debida independencia y autoridad.
- Objetivos, forma y procesos a llevar a cabo (auditorías internas mediante colaboración externa).
- Personas que integran la función (adecuadas en capacitación y número para cumplir los objetivos).

La función de auditoría interna presenta un plan de auditoría anual a la Comisión de Auditoría para su aprobación. Este plan de auditoría se prepara teniendo en consideración los riesgos identificados en el Mapa de Riesgos de la organización, de forma que se vayan abordando los distintos riesgos a lo largo del tiempo. Los resultados de la revisión así como los planes de acción sugeridos son presentados a la Comisión de Auditoría, quien los aprueba y realiza un seguimiento posterior de la implantación de las distintas acciones sugeridas.

Por lo que respecta a las labores de supervisión del SCIIF realizadas en el ejercicio, las principales actividades realizadas por parte de la Comisión de Auditoría han sido las siguientes:

- Revisión y aprobación del Mapa de Riesgos de información financiera.
- Reuniones periódicas, previas a la publicación de la información financiera intermedia, con la Dirección General de Planificación, Control y Gestión Financiera (DGPCGF) para la revisión del estado de ejecución y/o supervisión de los distintos controles y análisis, en su caso, de las posibles incidencias.
- La Comisión de Auditoría se ha reunido tres veces con los auditores externos a los efectos de conocer los aspectos más relevantes puestos de manifiesto en el proceso de la auditoría financiera.
- En la reunión que a la fecha de este informe ha celebrado la Comisión de Auditoría, ha podido supervisar con éxito y de forma satisfactoria, previa presentación de los correspondientes informes por el DGPCGF, que se han ejecutado y supervisado, con un alto grado de cumplimiento, los controles establecidos en el sistema en las diferentes áreas de las sociedades más relevantes del Grupo, para la preparación de las cuentas anuales del ejercicio 2013. De todo ello se ha informado al Consejo de Administración en la reunión celebrada inmediatamente a continuación, como paso previo a la formulación de las cuentas anuales.

- F.5.2. Si cuenta con un procedimiento de discusión mediante el cual, el auditor de cuentas (de acuerdo con lo establecido en las NTA), la función de auditoría interna y otros expertos puedan comunicar a la alta dirección y al comité de auditoría o administradores de la entidad las debilidades significativas de control interno identificadas durante los procesos de revisión de las cuentas anuales o aquellos otros que les hayan sido encomendados. Asimismo, informará de si dispone de un plan de acción que trate de corregir o mitigar las debilidades observadas.

Salvo que existiesen motivos que requiriesen la realización de reuniones extraordinarias, la Comisión de Auditoría del Grupo Tubos Reunidos se reúne tres veces al año con los auditores externos. En dichas reuniones se revisan las cuentas anuales y semestrales y se analizan, si existen, las debilidades de control detectadas por el auditor externo en su proceso de revisión

de los principales procesos de negocio y controles generales que están implantados en el Grupo, así como las acciones correctoras sugeridas.

Asimismo, la Comisión de Auditoría aprueba el plan de auditoría interna anual presentado por la función de auditoría interna y se reúne con los auditores internos a los efectos de que éstos le presenten el resultado de su trabajo, así como los planes de acción sugeridos.

Las conclusiones de estas revisiones son comunicadas a los Directores Generales de cada una de las unidades de negocio, quienes son los últimos responsables de definir planes de mejora concretos para solventar, o en su caso, mitigar las deficiencias que han sido detectadas.

F.6 Otra información relevante

No hay ningún aspecto relevante adicional a destacar.

F.7 Informe del auditor externo

Informe de:

F.7.1. Si la información del SCIIF remitida a los mercados ha sido sometida a revisión por el auditor externo, en cuyo caso la entidad debería incluir el informe correspondiente como anexo. En caso contrario, debería informar de sus motivos.

La información del SCIIF no ha sido sometida a revisión por parte del auditor externo a efectos de emitir un informe específico sobre el mismo, sin perjuicio de formar parte de la revisión del control de riesgos del Grupo en el trabajo de auditoría de los estados financieros.

G GRADO DE SEGUIMIENTO DE LAS RECOMENDACIONES DE GOBIERNO CORPORATIVO

Indique el grado de seguimiento de la sociedad respecto de las recomendaciones del Código Unificado de buen gobierno.

En el caso de que alguna recomendación no se siga o se siga parcialmente, se deberá incluir una explicación detallada de sus motivos de manera que los accionistas, los inversores y el mercado en general, cuenten con información suficiente para valorar el proceder de la sociedad. No serán aceptables explicaciones de carácter general.

1. Que los Estatutos de las sociedades cotizadas no limiten el número máximo de votos que pueda emitir un mismo accionista, ni contengan otras restricciones que dificulten la toma de control de la sociedad mediante la adquisición de sus acciones en el mercado.

Ver epígrafes: A.10, B.1, B.2, C.1.23 y C.1.24.

Cumple ☒

Explique ☐

2. Que cuando coticen la sociedad matriz y una sociedad dependiente ambas definan públicamente con precisión:

a) Las respectivas áreas de actividad y eventuales relaciones de negocio entre ellas, así como las de la sociedad dependiente cotizada con las demás empresas del grupo;

b) Los mecanismos previstos para resolver los eventuales conflictos de interés que puedan presentarse.

Ver epígrafes: D.4 y D.7

Cumple ☐

Cumple parcialmente ☐

Explique ☐

No aplicable ☒

3. Que, aunque no lo exijan de forma expresa las Leyes mercantiles, se sometan a la aprobación de la junta general de accionistas las operaciones que entrañen una modificación estructural de la sociedad y, en particular, las siguientes:

a) La transformación de sociedades cotizadas en compañías holding, mediante “filialización” o incorporación a entidades dependientes de actividades esenciales desarrolladas hasta ese momento por la propia sociedad, incluso aunque ésta mantenga el pleno dominio de aquéllas;

b) La adquisición o enajenación de activos operativos esenciales, cuando entrañe una modificación efectiva del objeto social;

c) Las operaciones cuyo efecto sea equivalente al de la liquidación de la sociedad.

Ver epígrafe: B.6

Cumple ☒

Cumple parcialmente ☐

Explique ☐

4. Que las propuestas detalladas de los acuerdos a adoptar en la junta general, incluida la información a que se refiere la recomendación 27 se hagan públicas en el momento de la publicación del anuncio de la convocatoria de la junta.

Cumple ☒

Explique ☐

5. Que en la junta general se voten separadamente aquellos asuntos que sean sustancialmente independientes, a fin de que los accionistas puedan ejercer de forma separada sus preferencias de voto. Y que dicha regla se aplique, en particular:

a) Al nombramiento o ratificación de consejeros, que deberán votarse de forma individual;

b) En el caso de modificaciones de Estatutos, a cada artículo o grupo de artículos que sean sustancialmente independientes.

Cumple ☒

Cumple parcialmente ☐

Explique ☐

6. Que las sociedades permitan fraccionar el voto a fin de que los intermediarios financieros que aparezcan legitimados como accionistas, pero actúen por cuenta de clientes distintos, puedan emitir sus votos conforme a las instrucciones de éstos.

Cumple ☒

Explique ☐

7. Que el consejo desempeñe sus funciones con unidad de propósito e independencia de criterio, dispense el mismo trato a todos los accionistas y se guíe por el interés de la compañía, entendido como hacer máximo, de forma sostenida, el valor económico de la empresa.

Y que vele asimismo para que en sus relaciones con los grupos de interés (stakeholders) la empresa respete las leyes y reglamentos; cumpla de buena fe sus obligaciones y contratos; respete los usos y buenas prácticas de los sectores y territorios donde ejerza su actividad; y observe aquellos principios adicionales de responsabilidad social que hubiera aceptado voluntariamente.

Cumple ☒

Cumple parcialmente ☐

Explique ☐

8. Que el consejo asuma, como núcleo de su misión, aprobar la estrategia de la compañía y la organización precisa para su puesta en práctica, así como supervisar y controlar que la Dirección cumple los objetivos marcados y respeta el objeto e interés social de la compañía. Y que, a tal fin, el consejo en pleno se reserve la competencia de aprobar:

a) Las políticas y estrategias generales de la sociedad, y en particular:

- i) El Plan estratégico o de negocio, así como los objetivos de gestión y presupuesto anuales;
- ii) La política de inversiones y financiación;
- iii) La definición de la estructura del grupo de sociedades;
- iv) La política de gobierno corporativo;
- v) La política de responsabilidad social corporativa;
- vi) La política de retribuciones y evaluación del desempeño de los altos directivos;
- vii) La política de control y gestión de riesgos, así como el seguimiento periódico de los sistemas internos de información y control.
- viii) La política de dividendos, así como la de autocartera y, en especial, sus límites.

Ver epígrafes: C.1.14, C.1.16 y E.2

b) Las siguientes decisiones :

- i) A propuesta del primer ejecutivo de la compañía, el nombramiento y eventual cese de los altos directivos, así como sus cláusulas de indemnización.
- ii) La retribución de los consejeros, así como, en el caso de los ejecutivos, la retribución adicional por sus funciones ejecutivas y demás condiciones que deban respetar sus contratos.
- iii) La información financiera que, por su condición de cotizada, la sociedad deba hacer pública periódicamente.
- iv) Las inversiones u operaciones de todo tipo que, por su elevada cuantía o especiales características, tengan carácter estratégico, salvo que su aprobación corresponda a la junta general;
- v) La creación o adquisición de participaciones en entidades de propósito especial o domiciliadas en países o territorios que tengan la consideración de paraísos fiscales, así como cualesquiera otras transacciones u operaciones de naturaleza análoga que, por su complejidad, pudieran menoscabar la transparencia del grupo.

c) Las operaciones que la sociedad realice con consejeros, con accionistas significativos o representados en el consejo, o con personas a ellos vinculados ("operaciones vinculadas").

Esa autorización del consejo no se entenderá, sin embargo, precisa en aquellas operaciones vinculadas que cumplan simultáneamente las tres condiciones siguientes:

1ª. Que se realicen en virtud de contratos cuyas condiciones estén estandarizadas y se apliquen en masa a muchos clientes;

2ª. Que se realicen a precios o tarifas establecidos con carácter general por quien actúe como suministrador del bien o servicio del que se trate;

3ª. Que su cuantía no supere el 1% de los ingresos anuales de la sociedad.

Se recomienda que el consejo apruebe las operaciones vinculadas previo informe favorable del comité de auditoría o, en su caso, de aquel otro al que se hubiera encomendado esa función; y que los consejeros a los que afecten, además de no ejercer ni delegar su derecho de voto, se ausenten de la sala de reuniones mientras el consejo delibera y vota sobre ella.

Se recomienda que las competencias que aquí se atribuyen al consejo lo sean con carácter indelegable, salvo las mencionadas en las letras b) y c), que podrán ser adoptadas por razones de urgencia por la comisión delegada, con posterior ratificación por el consejo en pleno.

Ver epígrafes: D.1 y D.6

Cumple ☒

Cumple parcialmente ☐

Explique ☐

9. Que el consejo tenga la dimensión precisa para lograr un funcionamiento eficaz y participativo, lo que hace aconsejable que su tamaño no sea inferior a cinco ni superior a quince miembros.

Ver epígrafe: C.1.2

Cumple ☒

Explique ☐

10. Que los consejeros externos dominicales e independientes constituyan una amplia mayoría del consejo y que el número de consejeros ejecutivos sea el mínimo necesario, teniendo en cuenta la complejidad del grupo societario y el porcentaje de participación de los consejeros ejecutivos en el capital de la sociedad.

Ver epígrafes: A.3 y C.1.3.

Cumple ☒

Cumple parcialmente ☐

Explique ☐

11. Que dentro de los consejeros externos, la relación entre el número de consejeros dominicales y el de independientes refleje la proporción existente entre el capital de la sociedad representado por los consejeros dominicales y el resto del capital.

Este criterio de proporcionalidad estricta podrá atenuarse, de forma que el peso de los dominicales sea mayor que el que correspondería al porcentaje total de capital que representen:

1º En sociedades de elevada capitalización en las que sean escasas o nulas las participaciones accionariales que tengan legalmente la consideración de significativas, pero existan accionistas, con paquetes accionariales de elevado valor absoluto.

2º Cuando se trate de sociedades en las que exista una pluralidad de accionistas representados en el consejo, y no tengan vínculos entre sí.

Ver epígrafes: A.2, A.3 y C.1.3

Cumple ☒

Explique ☐

12. Que el número de consejeros independientes represente al menos un tercio del total de consejeros.

Ver epígrafe: C.1.3

Cumple ☐

Explique ☒

La sociedad no cumple la recomendación porque considera suficiente la presencia de dos consejeros independientes sobre el total de diez miembros del Consejo, sin necesidad de llegar estrictamente al 1/3 fijado en la recomendación, por las siguientes razones:

- a) De la suma de consejeros externos dominicales (6) e independientes (2), éstos últimos representan el 25%.
- b) La presencia de dos consejeros independientes se considera suficiente para proteger los intereses de los accionistas minoritarios.
- c) El número de consejeros independientes se considera adecuado al free-float de la Compañía.

13. Que el carácter de cada consejero se explique por el consejo ante la junta general de Accionistas que deba efectuar o ratificar su nombramiento, y se confirme o, en su caso, revise anualmente en el Informe Anual de Gobierno Corporativo, previa verificación por la comisión de nombramientos. Y que en dicho Informe también se expliquen las razones por las cuales se haya nombrado consejeros dominicales a instancia de accionistas cuya participación accionarial sea inferior al 5% del capital; y se expongan las razones por las que no se hubieran atendido, en su caso, peticiones formales de presencia en el consejo procedentes de accionistas cuya participación accionarial sea igual o superior a la de otros a cuya instancia se hubieran designado consejeros dominicales.

Ver epígrafes: C.1.3 y C.1.8

Cumple ☒

Cumple parcialmente ☐

Explique ☐

14. Que cuando sea escaso o nulo el número de consejeras, la comisión de nombramientos vele para que al proveerse nuevas vacantes:

- a) **Los procedimientos de selección no adolezcan de sesgos implícitos que obstaculicen la selección de consejeras;**
- b) **La compañía busque deliberadamente, e incluya entre los potenciales candidatos, mujeres que reúnan el perfil profesional buscado.**

Ver epígrafes: C.1.2, C.1.4, C.1.5, C.1.6, C.2.2 y C.2.4.

Cumple ☐

Cumple parcialmente ☒

Explique ☐

No aplicable ☐

La representación de consejeras en el Consejo de Tubos Reunidos es del 10%

La Comisión de Nombramientos y Retribuciones tiene asignada la función de velar para que no se den situaciones de exclusión, cuestión que se incluye en su Plan de Trabajo anual y se analiza en una de las reuniones de la Comisión para su posterior información al Consejo de Administración en pleno.

15. Que el presidente, como responsable del eficaz funcionamiento del consejo, se asegure de que los consejeros reciban con carácter previo información suficiente; estimule el debate y la participación activa de los consejeros durante las sesiones del consejo, salvaguardando su libre toma de posición y expresión de opinión; y organice y coordine con los presidentes de las comisiones relevantes la evaluación periódica del consejo, así como, en su caso, la del consejero delegado o primer ejecutivo.

Ver epígrafes: C.1.19 y C.1.41

Cumple ☒

Cumple parcialmente ☐

Explique ☐

16. Que, cuando el presidente del consejo sea también el primer ejecutivo de la sociedad, se faculte a uno de los consejeros independientes para solicitar la convocatoria del consejo o la inclusión de nuevos puntos en el orden del día; para coordinar y hacerse eco de las preocupaciones de los consejeros externos; y para dirigir la evaluación por el consejo de su presidente.

Ver epígrafe: C.1.22

Cumple ☐

Cumple parcialmente ☐

Explique ☐

No aplicable ☒

17. Que el secretario del consejo, vele de forma especial para que las actuaciones del consejo:

- a) **Se ajusten a la letra y al espíritu de las Leyes y sus reglamentos, incluidos los aprobados por los organismos reguladores;**
- b) **Sean conformes con los Estatutos de la sociedad y con los Reglamentos de la junta, del consejo y demás que tenga la compañía;**
- c) **Tengan presentes las recomendaciones sobre buen gobierno contenidas en este Código Unificado que la compañía hubiera aceptado.**

Y que, para salvaguardar la independencia, imparcialidad y profesionalidad del secretario, su nombramiento y cese sean informados por la comisión de nombramientos y aprobados por el pleno del consejo; y que dicho procedimiento de nombramiento y cese conste en el reglamento del consejo.

Ver epígrafe: C.1.34

Cumple ☒

Cumple parcialmente ☐

Explique ☐

18. Que el consejo se reúna con la frecuencia precisa para desempeñar con eficacia sus funciones, siguiendo el programa de fechas y asuntos que establezca al inicio del ejercicio, pudiendo cada consejero proponer otros puntos del orden del día inicialmente no previstos.

Ver epígrafe: C.1.29

Cumple ☒

Cumple parcialmente ☐

Explique ☐

19. Que las inasistencias de los consejeros se reduzcan a casos indispensables y se cuantifiquen en el Informe Anual de Gobierno Corporativo. Y que si la representación fuera imprescindible, se confiera con instrucciones.

Ver epígrafes: C.1.28, C.1.29 y C.1.30

Cumple ☒

Cumple parcialmente ☐

Explique ☐

20. Que cuando los consejeros o el secretario manifiesten preocupaciones sobre alguna propuesta o, en el caso de los consejeros, sobre la marcha de la compañía y tales preocupaciones no queden resueltas en el consejo, a petición de quien las hubiera manifestado se deje constancia de ellas en el acta.

Cumple ☒

Cumple parcialmente ☐

Explique ☐

No aplicable ☐

21. Que el consejo en pleno evalúe una vez al año:

a) La calidad y eficiencia del funcionamiento del consejo;

b) Partiendo del informe que le eleve la comisión de nombramientos, el desempeño de sus funciones por el presidente del consejo y por el primer ejecutivo de la compañía;

c) El funcionamiento de sus comisiones, partiendo del informe que éstas le eleven.

Ver epígrafes: C.1.19 y C.1.20

Cumple ☒

Cumple parcialmente ☐

Explique ☐

22. Que todos los consejeros puedan hacer efectivo el derecho a recabar la información adicional que juzguen precisa sobre asuntos de la competencia del consejo. Y que, salvo que los estatutos o el reglamento del consejo establezcan otra cosa, dirijan su requerimiento al presidente o al secretario del consejo.

Ver epígrafe: C.1.41

Cumple ☒

Explique ☐

23. Que todos los consejeros tengan derecho a obtener de la sociedad el asesoramiento preciso para el cumplimiento de sus funciones. Y que la sociedad arbitre los cauces adecuados para el ejercicio de este derecho, que en circunstancias especiales podrá incluir el asesoramiento externo con cargo a la empresa.

Ver epígrafe: C.1.40

Cumple ☒

Explique ☐

24. Que las sociedades establezcan un programa de orientación que proporcione a los nuevos consejeros un conocimiento rápido y suficiente de la empresa, así como de sus reglas de gobierno corporativo. Y que ofrezcan también a los consejeros programas de actualización de conocimientos cuando las circunstancias lo aconsejen.

Cumple ☐

Cumple parcialmente ☒

Explique ☐

La Sociedad no tiene formalmente un programa concreto de orientación para los nuevos consejeros, ni de actualización de sus conocimientos.

No obstante, cuando se incorpora un nuevo consejero, se establece ad hoc un plan de reuniones, visitas y documentación para el conocimiento de la situación de la Sociedad, su estrategia, sus instalaciones productivas y diferentes áreas de negocio. En definitiva, lo necesario para poder iniciar sus funciones de forma adecuada.

25. Que las sociedades exijan que los consejeros dediquen a su función el tiempo y esfuerzo necesarios para desempeñarla con eficacia y, en consecuencia:

a) Que los consejeros informen a la comisión de nombramientos de sus restantes obligaciones profesionales, por si pudieran interferir con la dedicación exigida;

b) Que las sociedades establezcan reglas sobre el número de consejos de los que puedan formar parte sus consejeros.

Ver epígrafes: C.1.12, C.1.13 y C.1.17

Cumple ☐

Cumple parcialmente ☒

Explique ☐

En el Plan de Trabajo anual de la Comisión de Nombramientos y Retribuciones se incluye la revisión anual de la dedicación de los consejeros y sus otras obligaciones profesionales.

La Sociedad no tiene establecidas reglas sobre el número de consejos a los que se puede pertenecer.

26. Que la propuesta de nombramiento o reelección de consejeros que se eleven por el consejo a la junta general de accionistas, así como su nombramiento provisional por cooptación, se aprueben por el consejo:

a) A propuesta de la comisión de nombramientos, en el caso de consejeros independientes.

b) Previo informe de la comisión de nombramientos, en el caso de los restantes consejeros.

Ver epígrafe: C.1.3

Cumple ☒

Cumple parcialmente ☐

Explique ☐

27. Que las sociedades hagan pública a través de su página Web, y mantengan actualizada, la siguiente información sobre sus consejeros:

a) Perfil profesional y biográfico;

b) Otros consejos de administración a los que pertenezca, se trate o no de sociedades cotizadas;

c) Indicación de la categoría de consejero a la que pertenezca según corresponda, señalándose, en el caso de consejeros dominicales, el accionista al que representen o con quien tengan vínculos.

d) Fecha de su primer nombramiento como consejero en la sociedad, así como de los posteriores, y;

e) Acciones de la compañía, y opciones sobre ellas, de las que sea titular.

Cumple ☐

Cumple parcialmente ☒

Explique ☐

En la página web corporativa consta la identificación de los miembros del Consejo de Administración.

Así mismo, la página web también dirige, en el apartado de Información para Accionistas e Inversores, a la web de la CNMV en la que consta la participación accionarial de cada consejero.

28. Que los consejeros dominicales presenten su dimisión cuando el accionista a quien representen venda íntegramente su participación accionarial. Y que también lo hagan, en el número que corresponda, cuando dicho accionista rebaje su participación accionarial hasta un nivel que exija la reducción del número de sus consejeros dominicales.

Ver epígrafes: A.2 , A.3 y C.1.2

Cumple ☒

Cumple parcialmente ☐

Explique ☐

29. Que el consejo de administración no proponga el cese de ningún consejero independiente antes del cumplimiento del período estatutario para el que hubiera sido nombrado, salvo cuando concorra justa causa, apreciada por el consejo previo informe de la comisión de nombramientos. En particular, se entenderá que existe justa causa cuando el consejero hubiera incumplido los deberes inherentes a su cargo o incurrido en algunas de las circunstancias que le hagan perder su condición de independiente, de acuerdo con lo establecido en la Orden ECC/461/2013.

También podrá proponerse el cese de consejeros independientes de resultados de Ofertas Públicas de Adquisición, fusiones u otras operaciones societarias similares que supongan un cambio en la estructura de capital de la sociedad cuando tales cambios en la estructura del consejo vengán propiciados por el criterio de proporcionalidad señalado en la Recomendación 11.

Ver epígrafes: C.1.2, C.1.9, C.1.19 y C.1.27

Cumple ☐

Explique ☒

Los Estatutos y Reglamento del Consejo no contemplan normas específicas sobre ésta recomendación.

No obstante, la Comisión de Nombramientos y Retribuciones lo tendrá en cuenta para proponer o no, en su caso, ceses de consejeros independientes.

30. Que las sociedades establezcan reglas que obliguen a los consejeros a informar y, en su caso, dimitir en aquellos supuestos que puedan perjudicar al crédito y reputación de la sociedad y, en particular, les obliguen a informar al consejo de las causas penales en las que aparezcan como imputados, así como de sus posteriores vicisitudes procesales.

Que si un consejero resultara procesado o se dictara contra él auto de apertura de juicio oral por alguno de los delitos señalados en el artículo 213 de la Ley de Sociedades de Capital, el consejo examine el caso tan pronto como sea posible y, a la vista de sus circunstancias concretas, decida si procede o no que el consejero continúe en su cargo. Y que de todo ello el consejo dé cuenta, de forma razonada, en el Informe Anual de Gobierno Corporativo.

Ver epígrafes: C.1.42, C.1.43

Cumple ☒

Cumple parcialmente ☐

Explique ☐

31. Que todos los consejeros expresen claramente su oposición cuando consideren que alguna propuesta de decisión sometida al consejo puede ser contraria al interés social. Y que otro tanto hagan, de forma especial los independientes y demás consejeros a quienes no afecte el potencial conflicto de interés, cuando se trate de decisiones que puedan perjudicar a los accionistas no representados en el consejo.

Y que cuando el consejo adopte decisiones significativas o reiteradas sobre las que el consejero hubiera formulado serias reservas, éste saque las conclusiones que procedan y, si optara por dimitir, explique las razones en la carta a que se refiere la recomendación siguiente.

Esta Recomendación alcanza también al secretario del consejo, aunque no tenga la condición de consejero.

Cumple ☒ Cumple parcialmente ☐ Explique ☐ No aplicable ☐

32. Que cuando, ya sea por dimisión o por otro motivo, un consejero cese en su cargo antes del término de su mandato, explique las razones en una carta que remitirá a todos los miembros del consejo. Y que, sin perjuicio de que dicho cese se comunique como hecho relevante, del motivo del cese se dé cuenta en el Informe Anual de Gobierno Corporativo.

Ver epígrafe: C.1.9

Cumple ☒ Cumple parcialmente ☐ Explique ☐ No aplicable ☐

33. Que se circunscriban a los consejeros ejecutivos las remuneraciones mediante entrega de acciones de la sociedad o de sociedades del grupo, opciones sobre acciones o instrumentos referenciados al valor de la acción, retribuciones variables ligadas al rendimiento de la sociedad o sistemas de previsión.

Esta recomendación no alcanzará a la entrega de acciones, cuando se condicione a que los consejeros las mantengan hasta su cese como consejero.

Cumple ☐ Cumple parcialmente ☐ Explique ☒ No aplicable ☐

La Sociedad aprobó en 2011 un Plan de Retribución plurianual para Directivos ligado a la evolución de la acción, del que se excluyó a los miembros del Consejo de Administración, incluido al Consejero Ejecutivo existente en dicha fecha.

Los sistemas de previsión se circunscriben al Consejero Ejecutivo indicado anteriormente, que ya ha cesado, y al Presidente del Consejo.

La Comisión de Nombramientos y Retribuciones, de acuerdo con lo previsto en los Estatutos, consideró oportuno en 2011 proponer al Consejo de Administración realizar aportaciones a un sistema de previsión a favor del Consejero Ejecutivo y del Presidente del Consejo. En el caso del Presidente, que tiene la calificación de otros externos, la Comisión y el Consejo tomó la decisión considerando su dedicación a la Compañía y al hecho de que durante los más de 20 años de su permanencia en el Grupo, no se le había efectuado aportación alguna a sistemas de previsión.

34. Que la remuneración de los consejeros externos sea la necesaria para retribuir la dedicación, cualificación y responsabilidad que el cargo exija; pero no tan elevada como para comprometer su independencia.

Cumple ☒ Explique ☐ No aplicable ☐

35. Que las remuneraciones relacionadas con los resultados de la sociedad tomen en cuenta las eventuales salvedades que consten en el informe del auditor externo y minoren dichos resultados.

Cumple ☐ Explique ☐ No aplicable ☒

36. Que en caso de retribuciones variables, las políticas retributivas incorporen límites y las cautelas técnicas precisas para asegurar que tales retribuciones guardan relación con el desempeño profesional de sus beneficiarios y no derivan simplemente de la evolución general de los mercados o del sector de actividad de la compañía o de otras circunstancias similares.

Cumple ☒ Explique ☐ No aplicable ☐

37. Que cuando exista comisión delegada o ejecutiva (en adelante, "comisión delegada"), la estructura de participación de las diferentes categorías de consejeros sea similar a la del propio consejo y su secretario sea el del consejo.

Ver epígrafes: C.2.1 y C.2.6

Cumple ☒ Cumple parcialmente ☐ Explique ☐ No aplicable ☐

38. Que el consejo tenga siempre conocimiento de los asuntos tratados y de las decisiones adoptadas por la comisión delegada y que todos los miembros del consejo reciban copia de las actas de las sesiones de la comisión delegada.

Cumple ☒ Explique ☐ No aplicable ☐

39. Que el consejo de administración constituya en su seno, además del comité de auditoría exigido por la Ley del Mercado de Valores, una comisión, o dos comisiones separadas, de nombramientos y retribuciones.

Que las reglas de composición y funcionamiento del comité de auditoría y de la comisión o comisiones de nombramientos y retribuciones figuren en el reglamento del consejo, e incluyan las siguientes:

- a) **Que el consejo designe los miembros de estas comisiones, teniendo presentes los conocimientos, aptitudes y experiencia de los consejeros y los cometidos de cada comisión; delibere sobre sus propuestas e informes; y ante él hayan de dar cuenta, en el primer pleno del consejo posterior a sus reuniones, de su actividad y responder del trabajo realizado;**
- b) **Que dichas comisiones estén compuestas exclusivamente por consejeros externos, con un mínimo de tres. Lo anterior se entiende sin perjuicio de la asistencia de consejeros ejecutivos o altos directivos, cuando así lo acuerden de forma expresa los miembros de la comisión.**
- c) **Que sus presidentes sean consejeros independientes.**
- d) **Que puedan recabar asesoramiento externo, cuando lo consideren necesario para el desempeño de sus funciones.**
- e) **Que de sus reuniones se levante acta, de la que se remitirá copia a todos los miembros del consejo.**

Ver epígrafes: C.2.1 y C.2.4

Cumple ☒ Cumple parcialmente ☐ Explique ☐

40. Que la supervisión del cumplimiento de los códigos internos de conducta y de las reglas de gobierno corporativo se atribuya a la comisión de auditoría, a la comisión de nombramientos, o, si existieran de forma separada, a las de cumplimiento o gobierno corporativo.

Ver epígrafes: C.2.3 y C.2.4

Cumple ☒ Explique ☐

41. Que los miembros del comité de auditoría, y de forma especial su presidente, se designen teniendo en cuenta sus conocimientos y experiencia en materia de contabilidad, auditoría o gestión de riesgos.

Cumple ☒

Explique ☐

42. Que las sociedades cotizadas dispongan de una función de auditoría interna que, bajo la supervisión del comité de auditoría, vele por el buen funcionamiento de los sistemas de información y control interno.

Ver epígrafe: C.2.3

Cumple ☒

Explique ☐

43. Que el responsable de la función de auditoría interna presente al comité de auditoría su plan anual de trabajo; le informe directamente de las incidencias que se presenten en su desarrollo; y le someta al final de cada ejercicio un informe de actividades.

Cumple ☒

Cumple parcialmente ☐

Explique ☐

44. Que la política de control y gestión de riesgos identifique al menos:

a) Los distintos tipos de riesgo (operativos, tecnológicos, financieros, legales, reputacionales...) a los que se enfrenta la sociedad, incluyendo entre los financieros o económicos, los pasivos contingentes y otros riesgos fuera de balance;

b) La fijación del nivel de riesgo que la sociedad considere aceptable;

c) Las medidas previstas para mitigar el impacto de los riesgos identificados, en caso de que llegaran a materializarse;

d) Los sistemas de información y control interno que se utilizarán para controlar y gestionar los citados riesgos, incluidos los pasivos contingentes o riesgos fuera de balance.

Ver epígrafe: E

Cumple ☒

Cumple parcialmente ☐

Explique ☐

45. Que corresponda al comité de auditoría:

1º En relación con los sistemas de información y control interno:

a) Que los principales riesgos identificados como consecuencia de la supervisión de la eficacia del control interno de la sociedad y la auditoría interna, en su caso, se gestionen y den a conocer adecuadamente.

b) Velar por la independencia y eficacia de la función de auditoría interna; proponer la selección, nombramiento, reelección y cese del responsable del servicio de auditoría interna; proponer el presupuesto de ese servicio; recibir información periódica sobre sus actividades; y verificar que la alta dirección tiene en cuenta las conclusiones y recomendaciones de sus informes.

- c) Establecer y supervisar un mecanismo que permita a los empleados comunicar, de forma confidencial y, si se considera apropiado, anónima las irregularidades de potencial trascendencia, especialmente financieras y contables, que adviertan en el seno de la empresa.

2º En relación con el auditor externo:

- a) Recibir regularmente del auditor externo información sobre el plan de auditoría y los resultados de su ejecución, y verificar que la alta dirección tiene en cuenta sus recomendaciones.

- b) Asegurar la independencia del auditor externo y, a tal efecto:

- i) Que la sociedad comunique como hecho relevante a la CNMV el cambio de auditor y lo acompañe de una declaración sobre la eventual existencia de desacuerdos con el auditor saliente y, si hubieran existido, de su contenido.

- iii) Que en caso de renuncia del auditor externo examine las circunstancias que la hubieran motivado.

Ver epígrafes: C.1.36, C.2.3, C.2.4 y E.2

Cumple ☐

Cumple parcialmente ☒

Explique ☐

Se cumple la recomendación salvo la indicada en el apartado d).

La razón de no cumplir la misma, es la dificultad para establecer un mecanismo de denuncia eficaz y operativo, que evite la comunicación de hechos e irregularidades falsas o basadas en meros rumores no contrastados, que tengan como finalidad el menoscabo del prestigio personal de algunas personas, etc.

A la misma conclusión se ha llegado por la Comisión de Auditoría al analizar su posible aplicación en el ámbito del SCIIF

46. Que el comité de auditoría pueda convocar a cualquier empleado o directivo de la sociedad, e incluso disponer que comparezcan sin presencia de ningún otro directivo.

Cumple ☒

Explique ☐

47. Que el comité de auditoría informe al consejo, con carácter previo a la adopción por éste de las correspondientes decisiones, sobre los siguientes asuntos señalados en la Recomendación 8:

- a) La información financiera que, por su condición de cotizada, la sociedad deba hacer pública periódicamente. El comité debiera asegurarse de que las cuentas intermedias se formulan con los mismos criterios contables que las anuales y, a tal fin, considerar la procedencia de una revisión limitada del auditor externo.

- b) La creación o adquisición de participaciones en entidades de propósito especial o domiciliadas en países o territorios que tengan la consideración de paraísos fiscales, así como cualesquiera otras transacciones u operaciones de naturaleza análoga que, por su complejidad, pudieran menoscabar la transparencia del grupo.

- c) Las operaciones vinculadas, salvo que esa función de informe previo haya sido atribuida a otra comisión de las de supervisión y control.

Ver epígrafes: C.2.3 y C.2.4

Cumple ☒

Cumple parcialmente ☐

Explique ☐

48. Que el consejo de administración procure presentar las cuentas a la junta general sin reservas ni salvedades en el informe de auditoría y que, en los supuestos excepcionales en que existan, tanto el presidente del comité de auditoría como los auditores expliquen con claridad a los accionistas el contenido y alcance de dichas reservas o salvedades.

Ver epígrafe: C.1.38

Cumple ☒

Cumple parcialmente ☐

Explique ☐

49. Que la mayoría de los miembros de la comisión de nombramientos -o de nombramientos y retribuciones, si fueran una sola- sean consejeros independientes.

Ver epígrafe: C.2.1

Cumple ☐

Explique ☒

No aplicable ☐

La Comisión de Nombramientos y Retribuciones está formada por cuatro consejeros externos.

La Sociedad no considera necesario la mayoría de consejeros independientes en la Comisión de Nombramientos y Retribuciones, entendiéndose más conveniente en estos momentos que esté compuesta por dos consejeros dominicales y dos consejeros otros externos..

50. Que correspondan a la comisión de nombramientos, además de las funciones indicadas en las Recomendaciones precedentes, las siguientes:

a) Evaluar las competencias, conocimientos y experiencia necesarios en el consejo, definir, en consecuencia, las funciones y aptitudes necesarias en los candidatos que deban cubrir cada vacante, y evaluar el tiempo y dedicación precisos para que puedan desempeñar bien su cometido.

b) Examinar u organizar, de la forma que se entienda adecuada, la sucesión del presidente y del primer ejecutivo y, en su caso, hacer propuestas al consejo, para que dicha sucesión se produzca de forma ordenada y bien planificada.

c) Informar los nombramientos y ceses de altos directivos que el primer ejecutivo proponga al consejo.

d) Informar al consejo sobre las cuestiones de diversidad de género señaladas en la Recomendación 14 de este Código.

Ver epígrafe: C.2.4

Cumple ☒

Cumple parcialmente ☐

Explique ☐

No aplicable ☐

51. Que la comisión de nombramientos consulte al presidente y al primer ejecutivo de la sociedad, especialmente cuando se trate de materias relativas a los consejeros ejecutivos.

Y que cualquier consejero pueda solicitar de la comisión de nombramientos que tome en consideración, por si los considerara idóneos, potenciales candidatos para cubrir vacantes de consejero.

Cumple ☒

Cumple parcialmente ☐

Explique ☐

No aplicable ☐

52. Que corresponda a la comisión de retribuciones, además de las funciones indicadas en las Recomendaciones precedentes, las siguientes:

a) Proponer al consejo de administración:

- i) La política de retribución de los consejeros y altos directivos;
- ii) La retribución individual de los consejeros ejecutivos y las demás condiciones de sus contratos.
- iii) Las condiciones básicas de los contratos de los altos directivos.

b) Velar por la observancia de la política retributiva establecida por la sociedad.

Ver epígrafes: C.2.4

Cumple ☒ Cumple parcialmente ☐ Explique ☐ No aplicable ☐

53. Que la comisión de retribuciones consulte al presidente y al primer ejecutivo de la sociedad, especialmente cuando se trate de materias relativas a los consejeros ejecutivos y altos directivos.

Cumple ☒ Explique ☐ No aplicable ☐

H OTRAS INFORMACIONES DE INTERÉS

1. Si existe algún aspecto relevante en materia de gobierno corporativo en la sociedad o en las entidades del grupo que no se haya recogido en el resto de apartados del presente informe, pero que sea necesario incluir para recoger una información más completa y razonada sobre la estructura y prácticas de gobierno en la entidad o su grupo, detállelos brevemente.
2. Dentro de este apartado, también podrá incluirse cualquier otra información, aclaración o matiz relacionado con los anteriores apartados del informe en la medida en que sean relevantes y no reiterativos.

En concreto, se indicará si la sociedad está sometida a legislación diferente a la española en materia de gobierno corporativo y, en su caso, incluya aquella información que esté obligada a suministrar y sea distinta de la exigida en el presente informe.
3. La sociedad también podrá indicar si se ha adherido voluntariamente a otros códigos de principios éticos o de buenas prácticas, internacionales, sectoriales o de otro ámbito. En su caso, se identificará el código en cuestión y la fecha de adhesión.

En relación con el apartado C.1.26, sobre el límite de edad de los Consejeros, aclarar que los Estatutos no establecen límite alguno de edad y que el Reglamento del Consejo establece las edades indicadas en dicho apartado como obligación de poner a disposición del Consejo el cargo, sin perjuicio de lo que al efecto decida el Consejo respecto a su continuidad o cese a proponer a la Junta General. Respecto a lo indicado en el apartado B.6., informar que no existe un acuerdo formal expreso en dicho sentido, pero en la práctica dicho tipo de operaciones se someten a la Junta General, como cuando se llevó a cabo la filialización de la actividad de fabricación de tubos de la planta de Amurrio en la sociedad Tubos Reunidos Industrial en el año 2010.

Este informe anual de gobierno corporativo ha sido aprobado por el consejo de Administración de la sociedad, en su sesión de fecha 20/02/2013.

Indique si ha habido consejeros que hayan votado en contra o se hayan abstenido en relación con la aprobación del presente Informe.

Sí ☐

No ☒

Pursuant to Section 253 of the Corporate Enterprises Act, the directors of "TUBOS REUNIDOS, S.A.", with tax identification number A/48/011555 and registered office in Amurrio (Álava) have authorised the annual accounts and Directors' report of TUBOS REUNIDOS, S.A. Y SOCIEDADES DEPENDIENTES for 2013, made up of the documents itemised and identified below, for issue:

Consolidated financial statements:

- Contents: transcribed on two (2) sheets
- Consolidated balance sheet: transcribed on one (1) sheet
- Consolidated income statement: transcribed on one (1) sheet
- Consolidated statement of comprehensive income: transcribed on one (1) sheet
- Consolidated statement of changes in equity: transcribed on one (1) sheet
- Consolidated statement of cash flows: transcribed on one (1) sheet
- Notes to the consolidated annual accounts: transcribed on eighty-six (86) sheets

Directors' Report: transcribed on three (3) pages together with the **Annual Corporate Governance Report (ACGR):** transcribed on forty-six (46) sheets.

The directors of the Company also declare that, to the best of its knowledge, the annual annual accounts prepared under prevailing accounting principles provide a true and fair view of the equity, financial position and financial performance of the issuer and of the companies consolidated taken as a whole, and that the Directors' report includes a true and fair analysis of the business performance, results and financial position of the issuer and of the companies consolidated taken as a whole, together with the description of the main risks and uncertainties they face.

In witness whereof, and as an introduction to the aforementioned annual accounts and report, the document is signed by the persons listed below:

Pedro Abásolo Albóniga
(Chairman-Other external)

Emilio Ybarra Aznar
(Deputy Chairman – Proprietary director)

Alfonso Barandiaran Olleros
(Proprietary director)

Alberto Delclaux de la Sota
(Proprietary director)

Francisco José Esteve Romero
(Proprietary director)

Jorge Gabiola Mendieta
(Secretary-Other external)

Luis Alberto Mañas Antón
(Independent director)

Enrique Portocarrero Zorrilla-Lequerica
(Proprietary director)

Roberto Velasco Barroetabeña
(Independent director)

Leticia Zorrilla de Lequerica Puig
(Proprietary director)

Amurrio (Álava), 20 February 2014