TUBOS REUNIDOS, S.A.

2015 SECOND QUARTER AND FIRST HALF RESULTS

Amurrio, 31 July 2015 –

The first six months of activity of the Tubos Reunidos Group have had two clearly differentiated parts.

During the first quarter, consolidated sales maintained a positive trend supported by the more extensive range of value-added products offered by the group following the investments made. Consolidated net revenue totalled 102.6 million euros, up 4.4% on the same period last year, while EBITDA and net profit amounted to 11.1 and 1.7 million euros respectively.

In the second quarter, this trend changed due to the pronounced and ongoing decline in investments in the oil and gas industry, mostly in North America as a result of the fall in oil prices. This situation, which Tubos Reunidos understands to be temporary, has resulted in consolidated net revenue for the first half of the year of 201.6 million euros, 2.7% less than the first half of 2014. The lower production rate and subsequent effect of downtime at the plants in the second quarter affected the Group's profitability levels. EBITDA for the first half of the year amounted to 15.9 million euros, 35.5% less than the same period in 2014, and a negative net result of 2.0 million euros.

Against this backdrop, in which the opportunities and fundamentals for rising demand for tubes in the energy sector are maintained over the long-term, Tubos Reunidos shall continue to move forward with its Strategic Plan 2014-2017 and is implementing temporary and structural management measures aimed at improving and strengthening the Group's global competitiveness and positioning ahead of the anticipated recovery.

Tubos Reunidos has reinforced its commercial area and has obtained approvals which will allow new customers to access its high value-added products. In the agreement with Marubeni Itochu Steel Inc., the company has moved forward as expected in the OCTG business and in other collaboration lines for other products and markets.

The Group is in the process of implementing all necessary temporary flexibility measures in order to adapt costs to current activity levels and thereby immediately reduce the impact of the current economic situation affecting the sector. Furthermore, and along the same lines, it has put in motion an action plan aimed at reducing overheads cost by around 15 million euros.

During the first half the company has significantly improved the conditions of its financing sources, boosting its objective to provide greater financial strength and has also laid the foundations to optimise working capital.

Significant events from 1H15 and analysis of the results

1. Sales and new orders shaped by falling oil prices. During the first half of the year investment in the oil and gas sector decline sharply, mainly in North America where the number of drilling sites has fallen by over 55% compared to the maximum level obtained in November 2014. This has subsequently led to lower demand for tubes for oil and gas and greater competition in other segments. Higher sales of large-diameter tubes and a stronger performance of the energy generation, petrochemical, construction, mechanical and automotive segments, as well as a favourable dollar-euro exchange rate, were unable to offset lower sales of products for the oil and gas sector. As a result, sales for the first half of the year declined by 2.7%.

2.- Implementation of temporary and structural measures for reducing costs and improving competitiveness:

- **In April 2015 immediate temporary measures regarding operating flexibility were implemented** to adapt costs to activity levels in the small-diameter plant, where tubes are produced for the oil and gas sector. Production hours have been reduced by 17% along with the corresponding reduction of resources, both temporary personnel and subcontractors. These measures will help mitigate the impact of the current market situation, but the downtime effect due to the lower use of the production capacity has resulted in lower EBITDA and results for the first half of the year compared to the same period the previous year.

- **Actions to improve the Group's structural competitiveness.** The impact of these measures introduced in 2015 will progressively increase through to 2017, when they will reach around 15 million euros.

    - **Progress was made on implementing the productivity improvement measures included in the strategic plan, as well as in the quality and performance of new products.** These measures are aimed at maximising the service and competitiveness of the group's offer, including objectives to reduce faults, rejects and reprocesses, as well as eliminating bottle necks or other effects attributed to the start-up of new investments and the change of mix towards higher value-added products, once the company progresses along the learning curve of the new production processes.

- **An action plan has been designed and put into motion aimed at reducing costs** in all lines of fixed and variable costs, including raw materials, direct production costs, overheads and commercial costs.

3. Strengthening of the financial structure and optimisation of the group's financing conditions. In the first half of the year, Tubos Reunidos entered into new loans and cancelled other previous ones, thereby extending its debt maturities and reducing the average cost of its bank lending. Consequently, the financial costs in the first half of the year have dropped 1,813 thousand euros, 33% less compared to the same period the previous year. Net financial debt is 180.9 million euros, 97.5% of which is long-term.

4.- Positive progress in the development of the strategic agreement with Marubeni-Itochu Steel Inc.: in the first half of the year and following receipt of the Premium threading licence from JFE Steel Corporation, managerial staff and the main production teams were contracted at the new OCTG tubes threading plant , in line with the plan to start production in the second quarter of 2016. Tubos Reunidos has already carried out its first joint operations with Marubeni in other common product lines and markets.

5.- Reinforcement of the commercial area with the opening of a new commercial office in Mexico and the attainment of new approvals for the production plant for target customers in the energy generation sectors as leading manufacturers of capital equipment, as well as for leading customers in the oil sector.

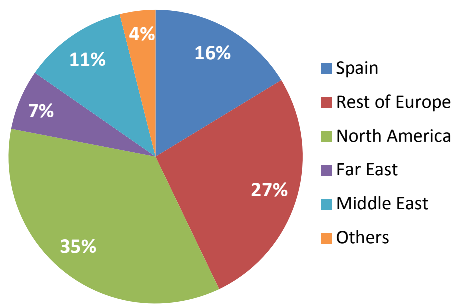
6.- Investment in fixed assets for the period totalled 12 million euros, with 9 million euros earmarked to the seamless steel tube business, mainly the new threading plant. This means that as of June 2015, Tubos Reunidos had invested 71% of the total investment outlined in its strategic plan.

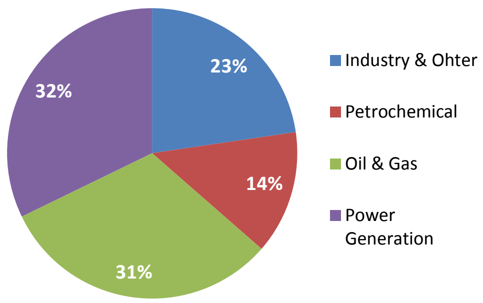
Main figures for the second quarter and first half of 2015

Consolidated ('000 EUR)	Q2 2015	Q2 2014	% var	H1 2015	H1 2014	% var
Revenue	98.982	108.945	(9,1%)	201.574	207.223	(2,7%)
EBITDA	4.777	12.010	(60,2%)	15.891	24.626	(35,5%)
% sales	*4,8%*	*11,0%*		*7,9%*	*11,9%*	
EBIT	-3.062	4.632	(166,1%)	226	9.883	(97,7%)
Net Income	-3.690	2.127	(273,5%)	-1.987	4.432	(144,8%)

Market context and performance of the Seamless Steel Tube activity by sectors and geographical areas

Sales by geographical zone and sector, 1H 2015, euros:





The sales of seamless steel tubes in the period increased significantly for large-diameter tubes for the energy generation, petrochemical, construction and mechanical segments. However, this growth was unable to compensate for the drop in sales in the oil and gas sector, which were by 21%, and in other segments and markets affected by greater competition.

Europe (43% of sales vs. 39.2% in the same period last year): Sales were up 2.7% compared to 2014, buoyed by the domestic market.

North America (35.0% of sales vs. 32.2% for the same period last year): Higher sales in large-diameter tubes in this market, mostly for the energy, petrochemical, industrial and construction sectors, made up for lower sales in tubes for the oil and gas sector. This represents a 2.6% increase on the same period the previous year, helped by the stronger dollar against the euro.

Middle East (11.4% of sales vs. 14.1% for the same period last year): Lower sales in the period against a backdrop of inventory reductions in the region and increased competition.

Far East (6.6% of sales vs. 11.6% for the same period last year): Lower sales with delays in the award of projects in the energy-generation and petrochemical sectors, as well as increased competition in oil and gas pipelines.

Outlook

Tubos Reunidos believe that, despite the current fall in demand for tubes and greater competition, long-term growth opportunities in the sector still remain, especially for products with high technical specifications and service products, which is the Group’s target and which the strategic plan 2014-2017 "Towards a New Tubos Reunidos" revolves around.

The rapid advances in competitiveness in the new unconventional oil and gas drilling and production technologies, mainly in North America and the existence of indicators that suggest that the fall in the activity is bottoming out, underpin expectations of recovery in this market.

Tubos Reunidos is tackling this situation on two fronts:

- Immediately, in the short term, the company is focussing on growth in the least-affected product segments and markets by having a diversified geographic and sectorial exposure, in particular in the large-diameter tubes or energy-generation and petrochemical sectors, as well as on adapting production to the levels of activity.

- In the medium and long term, Tubos Reunidos is adopting measures aimed at improving the Group’s competitiveness, as well as commercial and strategic actions to strengthen its position in the target product markets and segments. Along these lines, the company continues to execute its investment plan, which will be 90% by the end of 2015.

Tubos Reunidos is certain that it can convert the current economic situation into one of opportunity and that the measures put in place will allow the company to be even better prepared to see the fruits of its efforts in investment and innovation, its improvements in service, the opening of new markets and products, its strategic alliances with leading partners and a better positioning by becoming locally established in growing markets, as soon as the market recovers.

INCOME STATEMENT, Thousands of Euros	H1 2015	H1 2014	H1 2015 / H1 2014
Revenue	**201.574**	**207.223**	*(3%)*
Changes in inventory	4.210	13.462	
Supplies	(101.047)	(107.607)	
Personnel expenditure	(56.209)	(55.584)	
Other operating expenses	(41.030)	(40.613)	
Other operating income and net gains/(losses)	8.393	7.745	
EBITDA	**15.891**	**24.626**	***(35%)***
Depreciation and amortisation charge	(15.665)	(14.743)	
EBIT	**226**	**9.883**	***(98%)***
Financial income/(expense)	**(3.391)**	**(4.917)**	
Profit before income tax	**(3.165)**	**4.966**	***(164%)***
Profits tax	2.008	(413)	
Consolidated profit for the period	**(1.157)**	**4.553**	***(125%)***
Profit from minority interests	(830)	(121)	
Profit for the period	**(1.987)**	**4.432**	***(145%)***

BALANCE SHEET, Thousands of Euros	H1 2015	Q4 2014
NON-CURRENT ASSETS	**424.977**	**417.639**
Inventories and customers	198.755	215.481
Cash and other cash equivalents	24.413	24.464
CURRENT ASSETS	**223.168**	**239.945**
Assets held for sale	4.346	4.599
TOTAL ASSETS	**652.491**	**662.183**
NET EQUITY	**258.135**	**260.936**
DEFERRED REVENUES	**11.321**	**12.469**
Non-current provisions	3.160	3.622
Bank borrowings and other financial liabilities	176.427	155.640
Other non-current liabilities	59.874	51.548
NON-CURRENT LIABILITIES	**239.461**	**210.810**
Short-term provisions	6.061	8.249
Bank borrowings and other financial liabilities	28.855	40.436
Other current liabilities	108.658	129.283
CURRENT LIABILITIES	**143.574**	**177.968**
Liabilities held for sale	--	--
TOTAL LIABILITIES	**652.491**	**662.183**

Net financial debt	**180.869**	**171.612**