



TUBACEX

Analyst Presentation

1

Tubacex Group

2

Strategic Plan 2013 – 2017

3

Goals achieved in 2013

4

Growth Strategy

A strong Group to Your Service

Tubacex Group is an industrial group specialized in the production & distribution of high added value seamless stainless products, with presence in over 100 countries.

The Tubacex Group is listing on the Spanish Stock Market



A fully integrated player



Steel billets & bars



Extrusion



Cold finishing



Pipes & tubes fittings

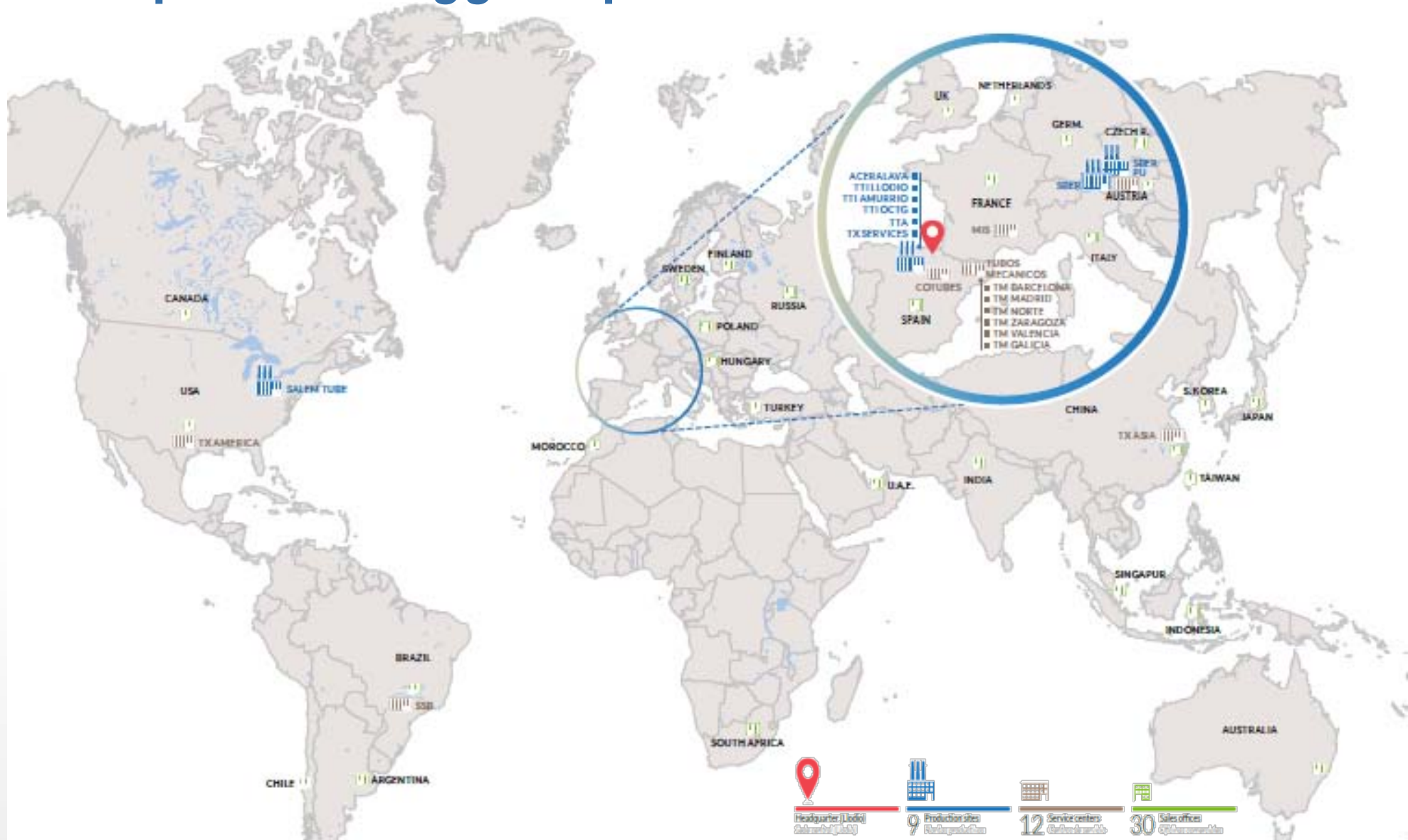


Master distribution



Commercial network

A Group with a strong global presence

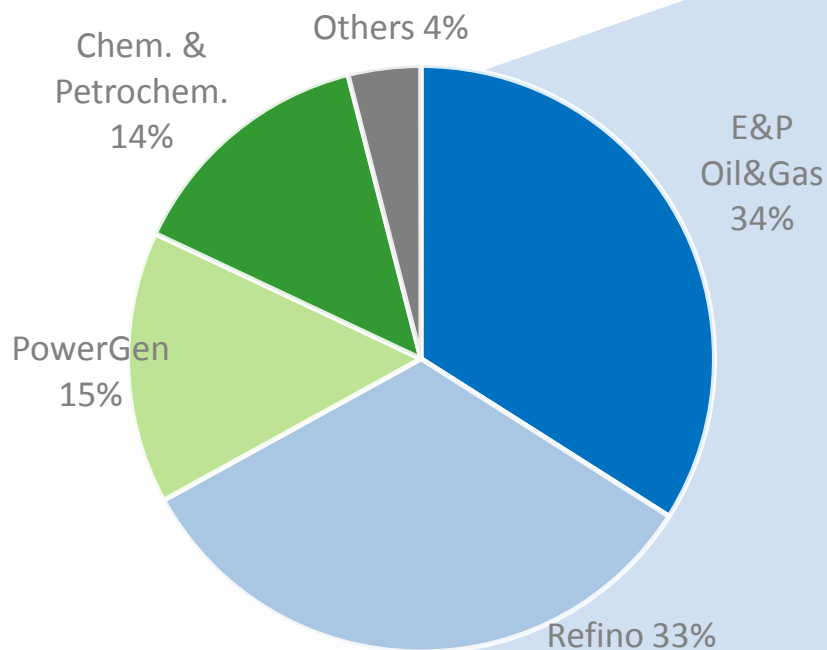


- Worldwide 2nd largest supplier of seamless stainless steel tubes
- Sales of 600 million EUR
- Investment of 152.2 million EUR in the last 5 years
- Commercial presence in over 100 countries
- More than 300 customers
- 2000 professionals
- Management system redefinition



Worldwide 2nd largest supplier of SSST

Sales Breakdown by Sector*



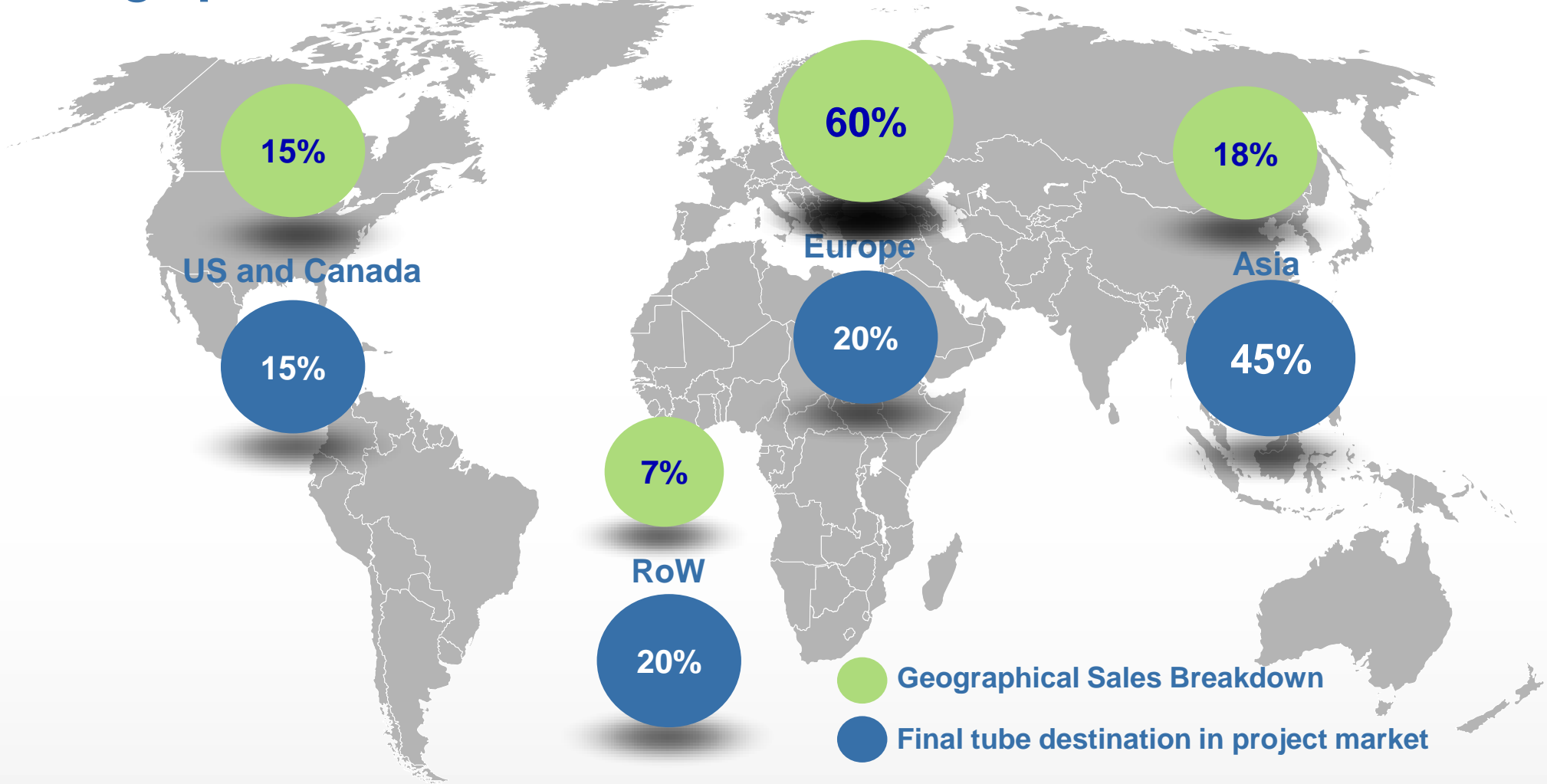
- Good market behavior for investment in Oil&Gas sector projects
- High oil price favors investment throughout the entire Gas&Oil value chain
- In extraction: major OCTG orders and increased umbilical offshore tubes
- In refining: orders based in the US and Europe



Oil&Gas sector represents 2/3 of the Group sales

*Sales in the Project market 2013

Geographical Sales Breakdown 2013



Products sold in more than 100 countries

Seamless Stainless Steel Tube Sector

Main Characteristics

- Production: 0,3 million tons per year vs. 1.300 million tons of crude steel production
- Highest value added steel market niche
- Constant 3-4% annual growth after 2009-2010 crisis
- High consolidation level with only a few mayor player
- Strong know-how and CAPEX entry barriers



Main Customers

- **OIL&GAS E&P**
 - On shore
 - Off shore
- **PETROCHEM INDUSTRIES**
 - Refineries
- **TRANSPORTATION**
 - Light oil
 - Heavy oil
 - LNG
- **POWER GENERATION**
 - Thermal
 - Ocgt
 - Co-generation
 - Nuclear
- **OTHER PROCESS INDUSTRIES**
 - Water desalting plants
 - Chemical
 - Pharmaceutical
 - Paper
 - Mining & metals
 - Food
- **METAL-MECHANICAL INDUSTRY**





TUBACEX
THE HISTORY OF
A GREAT EFFORT
(1963 - 2013)



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Goals achieved in 2013

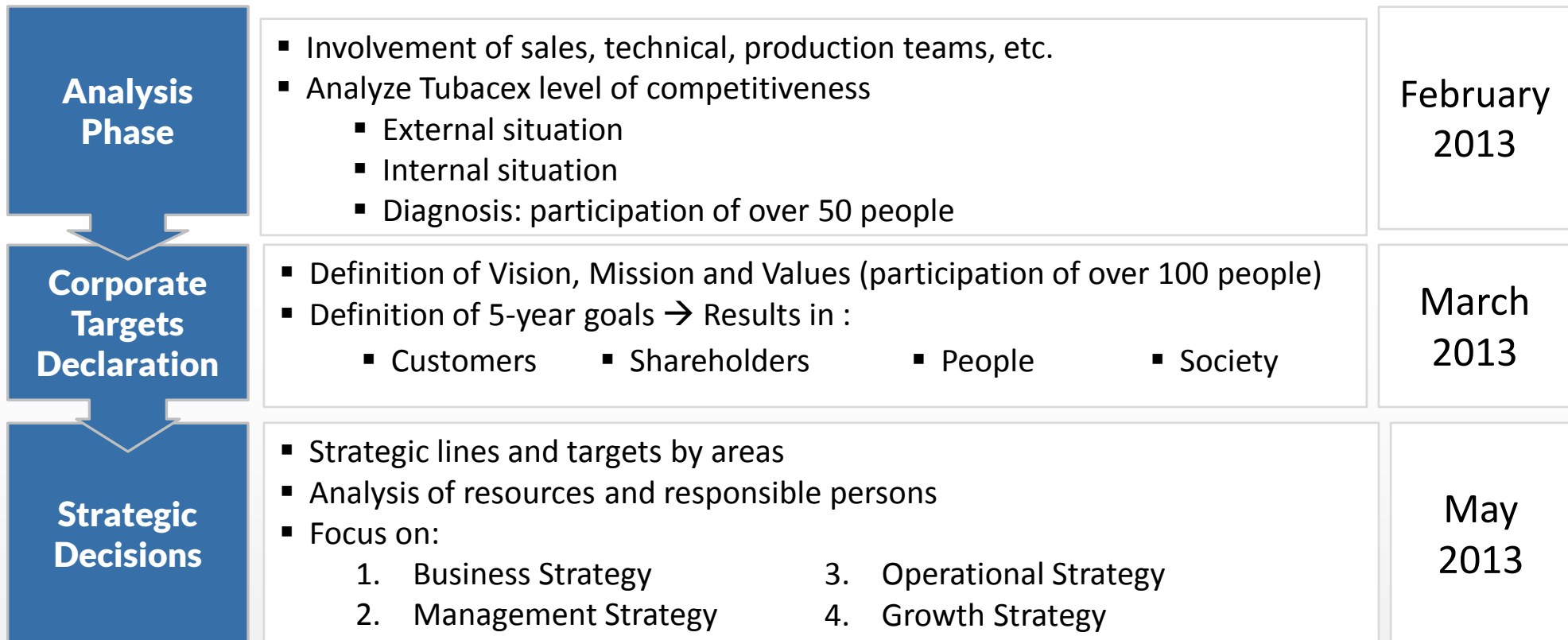
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Growth Strategy

Objective

Launch a new Strategic Plan that enables us to align key collaborators throughout the entire strategic process.

Process



Four Strategic Targets



Double the company's value in 5 years

- Results: EBITDA, EBIT, etc.
- Debt / EBITDA
- Equity & Enterprise Value



Reduce Market Volatility

- Break even vs. Sales
- Product Diversification
- Market Diversification
- Alliances and M&A



Be a benchmark supplier for clients

- Market Share
- Quality / Service
- Satisfaction Survey
- Entry in new products



Be the company for which people want to work

- Safety
- Quality Index
- 180°/360° Evaluations



Commitment to strategic targets

Calendar

Cash Generation

Phase I 2013-2014



30% High Value-added
Products vs. 70% Traditional

> 15%

EBITDA Margin

10%

Net Debt / EBITDA

< 3x

RoCE

10%

CNO / Sales

45%

Growth

Phase II 2015-2016



40% High Value-added
Products vs. 60% Traditional

> 15%

12%

2 - 3x

12%

40%

Consolidation

Phase III 2017...



50% High Value-added
Products vs. 50% Traditional

> 10%

15%

2 - 3x

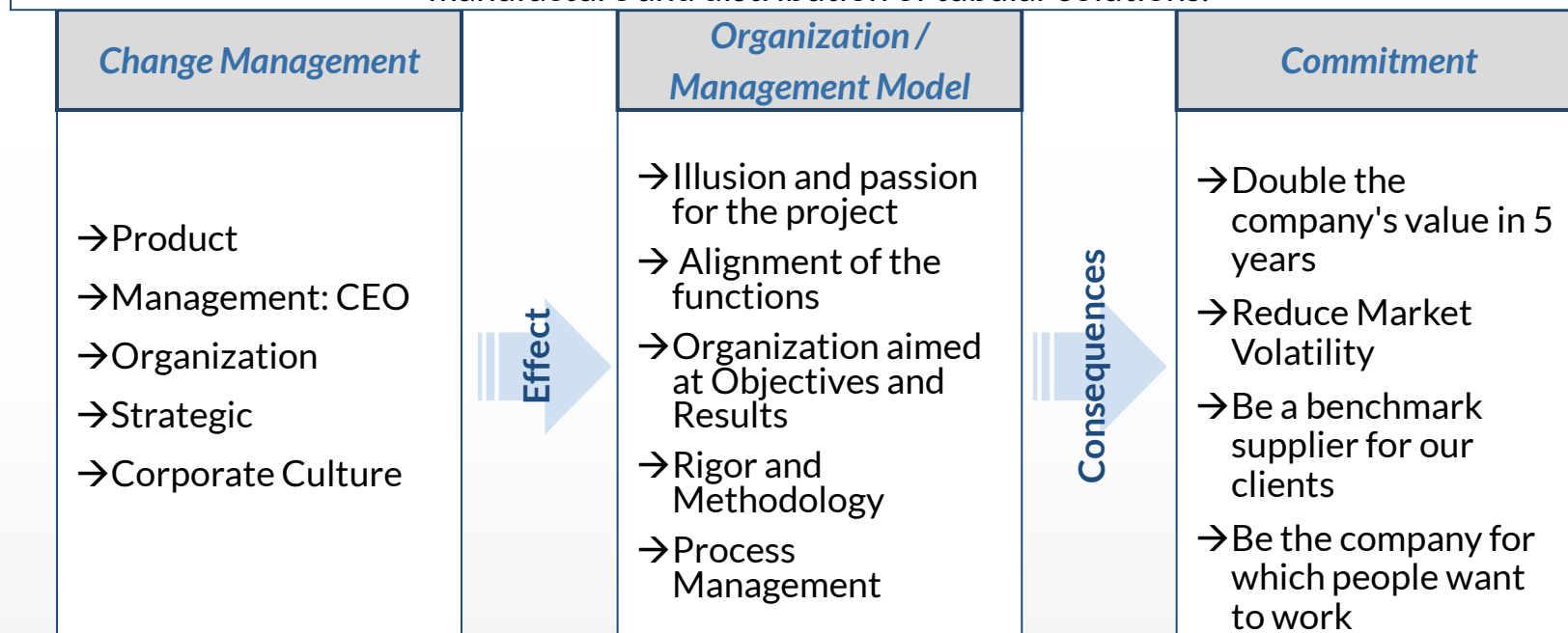
15%

35%

Management Plan and Focus

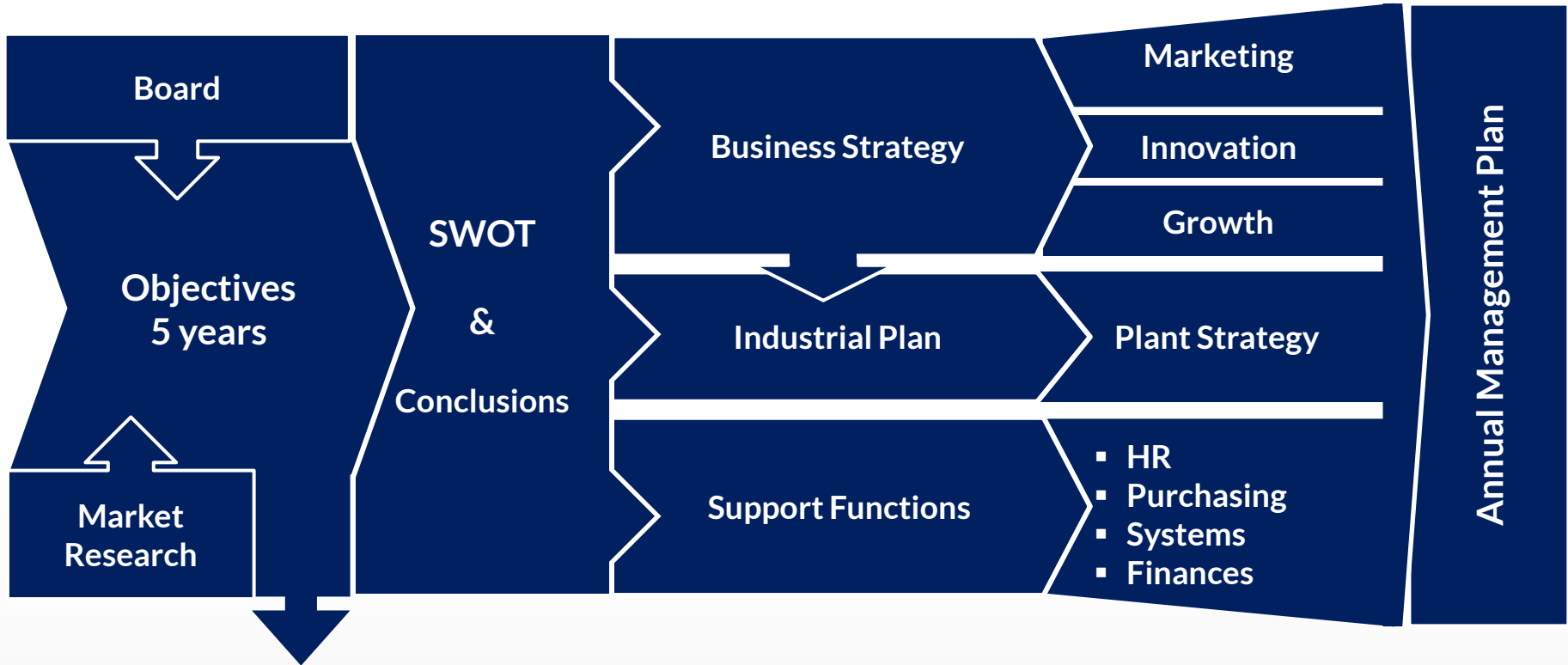
Create a new paradigm

Take advantage of the moment of change to create a new cycle of excellence which offers us profitable growth throughout the 2013-2017 period, positioning Tubacex as a benchmark in the manufacture and distribution of tubular solutions.



The key to success lies in people

Strategic Roadmap



Strategic Axes

Management Strategy

- Operational Excellence
- Process Management
- Target alignment and deployment

Business Strategy

- Market
- Customer
- Product

Growth Strategy

- To be developed in Phase II

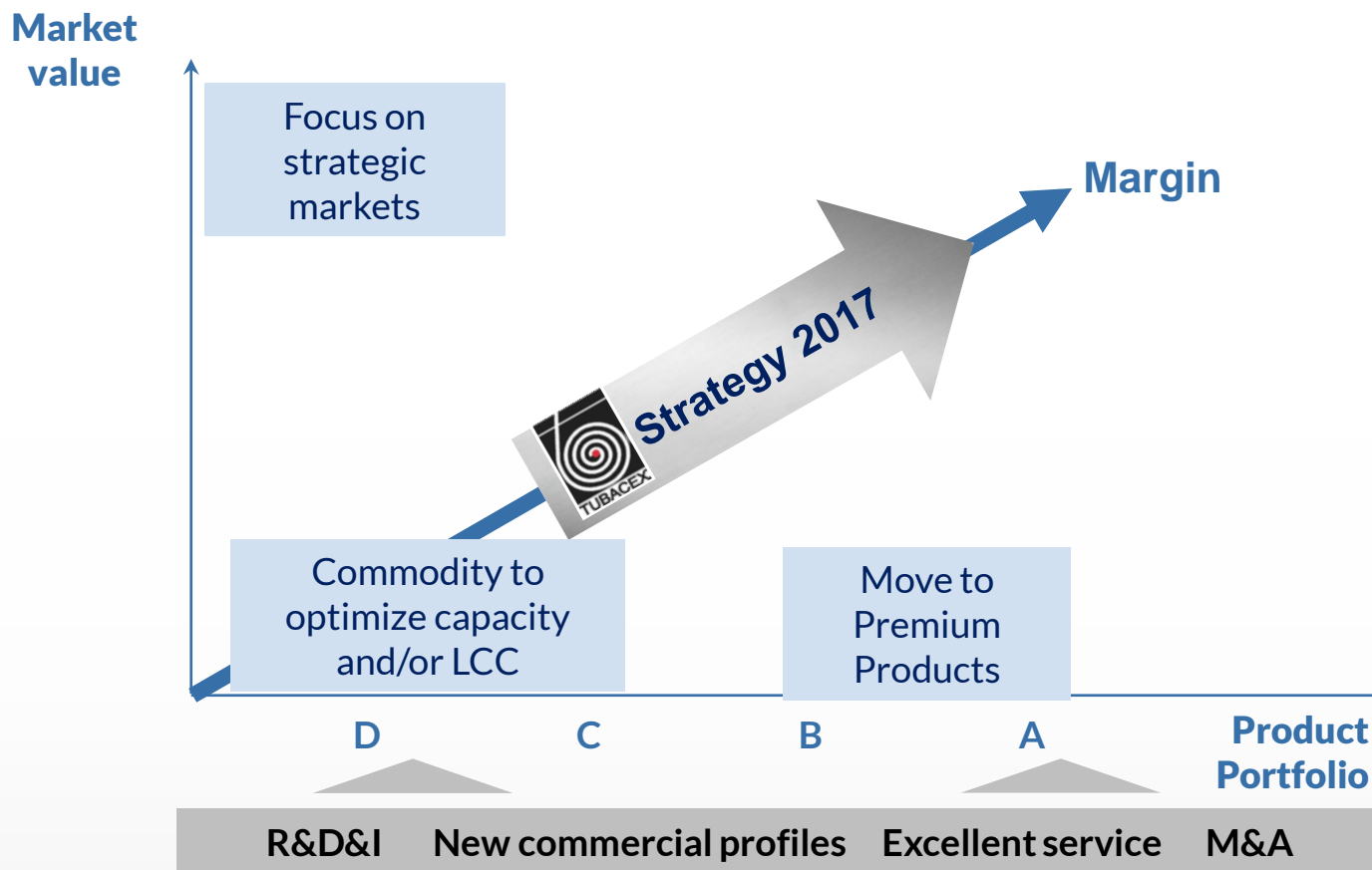
Operational Strategy

- TxPS
- Participation
- PDCA Cycle



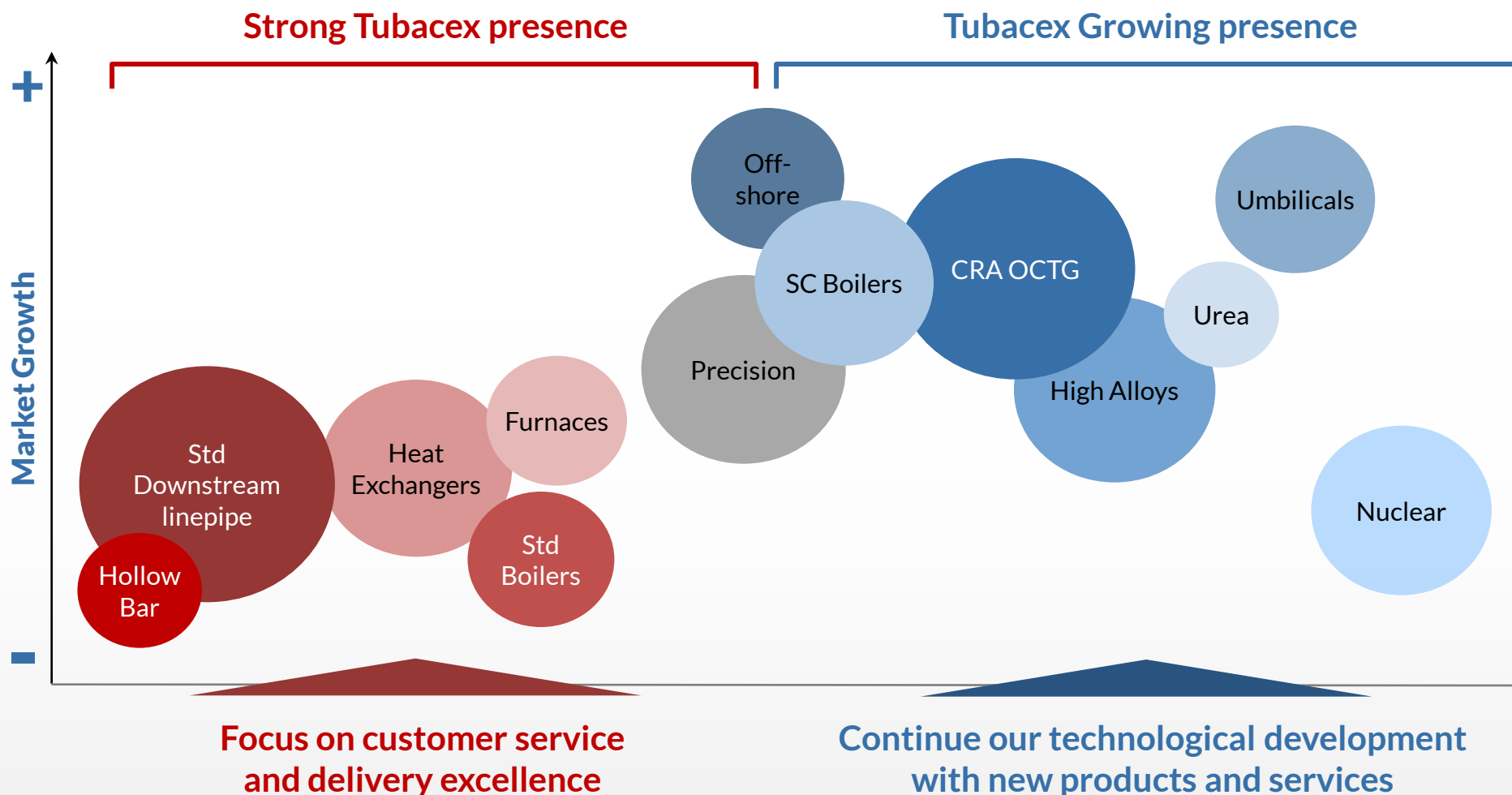
Management focus based on four axes

Business Strategy. Tubacex Positioning



Key condition: Reinforce R&D and industrialization process and refocusing of commercial organization

Business Strategy. Tubacex Positioning



The size indicates the volume of each segment, measured in Euros (not in tonnes)

Business Strategy. Product development pipeline

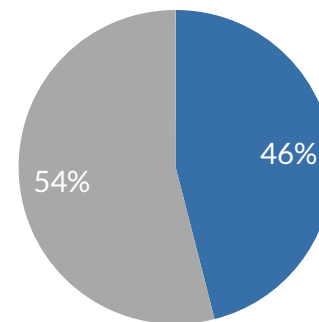
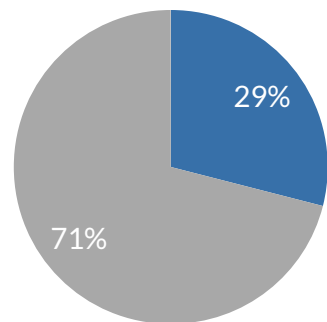


Business Strategy. Product portfolio

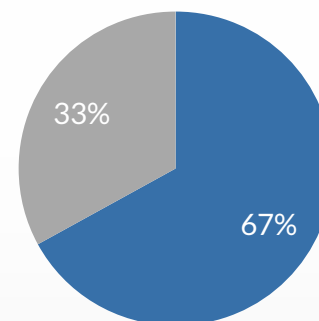
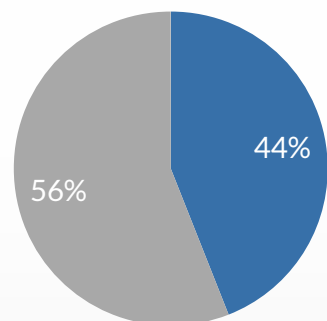
Sales Breakdown 2012

Sales Breakdown 2017

Tons



Euros



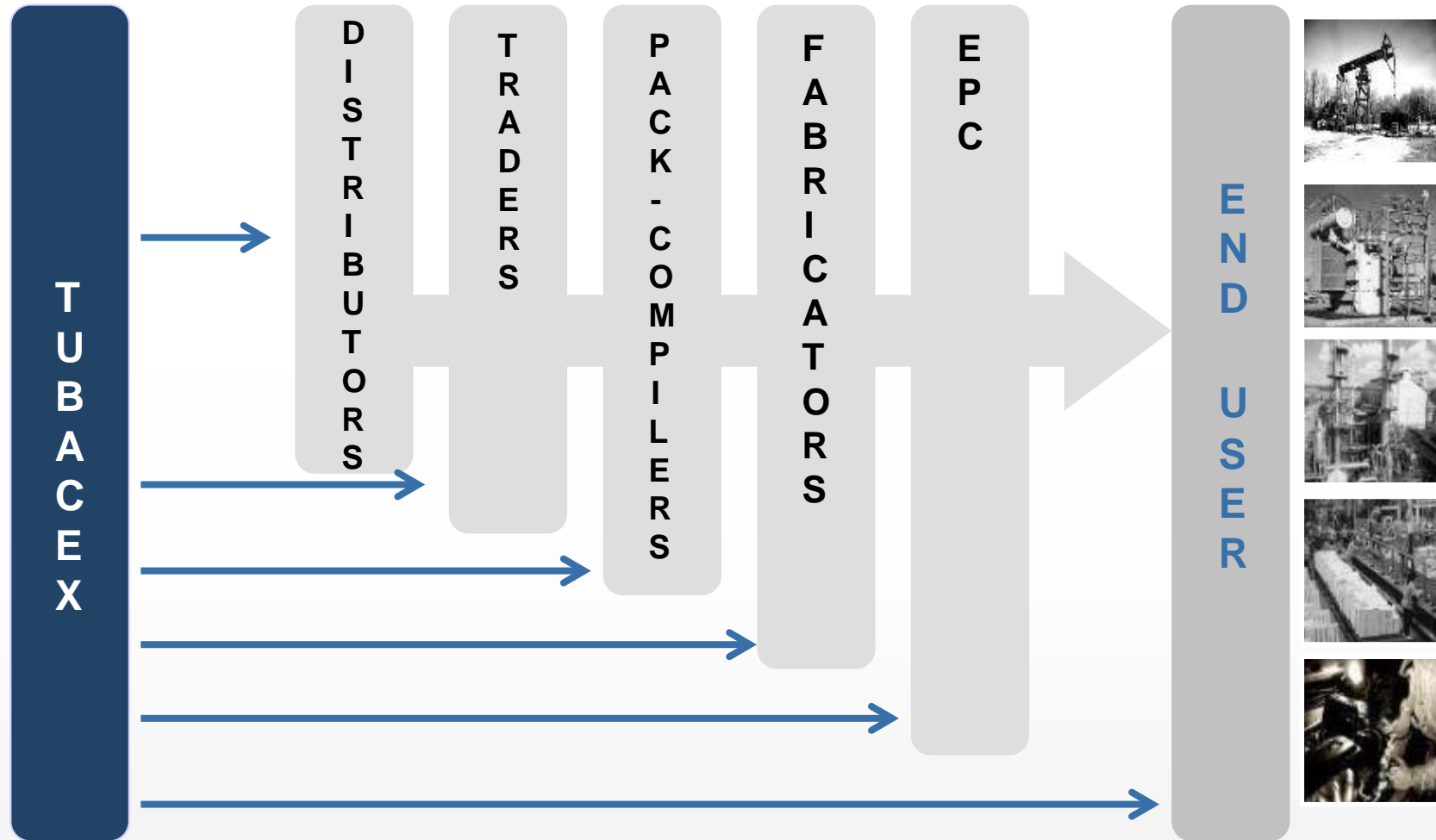
■ Traditional Products ■ Premium Products

Management knowledge

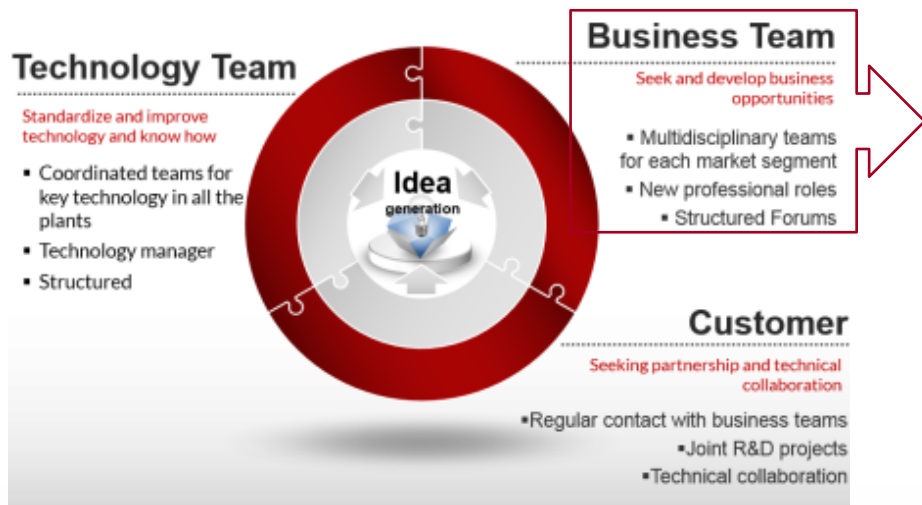
Industrial Capacity

Innovation

Business Strategy. Value Chain



Business Strategy. Business Teams



2013/ 2104 Creation of Business Teams:

- Main driver and responsible for Product Strategy and Market development
- Multi disciplinary teams (incl. Product Manager, Sales, R&D & Operations) to guaranty holistic approach, short feedback loops and quick adaptation
- Leader of each team is the global Product Manager
- Product Manager coordinates all groups activities to ensure the achievement of the product strategy (Development, Operations, etc.)



Integral product strategy definition for main product lines

Management Strategy



Main tools:

Process Management	Annual Management Plan	PDPs	Innovation	Industrialization
<ul style="list-style-type: none"> Process map redefinition Global deployment of best practices Process discipline 	<ul style="list-style-type: none"> Annual Management Cycle Target alignment and deployment Review Forums Performance Indicators (KPIs) 	<ul style="list-style-type: none"> Coaching and human capital development Team performance appraisal 	<ul style="list-style-type: none"> Innovation process re-focusing Idea creation acceleration R&D&I structure reinforcement 	<ul style="list-style-type: none"> Industrialization process creation Global deployment Progress monitoring and management

Implementation of Tubacex management models at a global level with a unique and universal management system, consisting of processes focused on excellence in management.

Management Strategy



vision

We aspire to be a global supplier and a benchmark in innovative **tubular solutions** in advanced materials, offering service and management excellence, fulfilling and exceeding customer expectations, whilst profitably sustainable and focused on people development.



mission

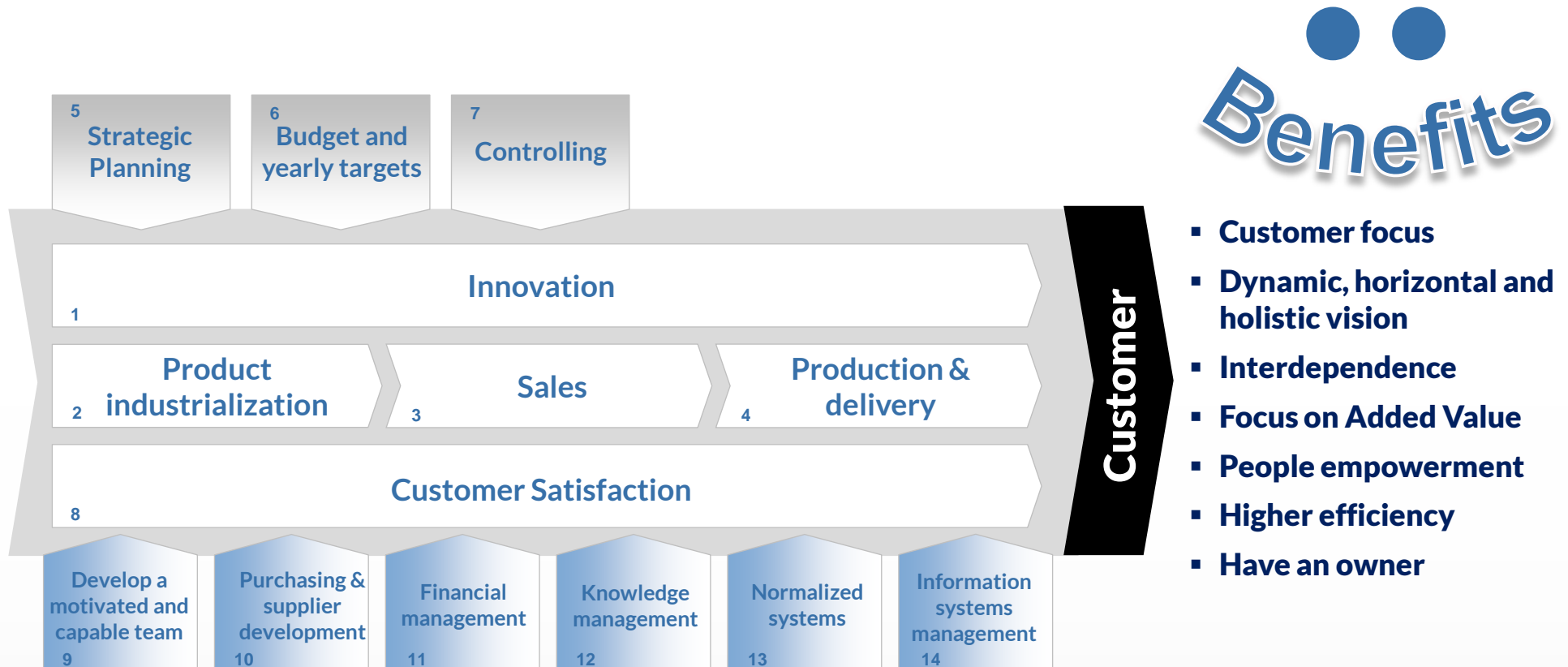
- ✓ We are an innovative, **multi-national** industrial group reference for seamless stainless steel tubes in the global market.
- ✓ We seek **customer satisfaction** through a portfolio of products and services that are constantly being developed.
- ✓ We are a **reliable company** that fulfills its obligations with internal and external clients.
- ✓ We grow in a **profitable and sustainable** way.
- ✓ It is our commitment to **effectively manage** the return on all of our investments and to reward shareholders.
- ✓ We seek **excellence**, through rigorous process management and the systematic application of continuous improvement.
- ✓ We are committed to constantly foster a **safe and pleasant workplace**, while demonstrating respect for **the environment**.
- ✓ We contribute to the **development of society and our suppliers, developing our professionals and people, working as a team** and constantly measuring our **results**.



values

- ✓ Leadership
- ✓ Focus on Achievement
- ✓ Customer Satisfaction
- ✓ Continuous Improvement
- ✓ Creativity and Innovation
- ✓ Teamwork
- ✓ Creation of Value and Profitability
- ✓ Diversity and Dignity in the Workplace
- ✓ Corporate Ethics

Management Strategy. Process management



A company organized by processes responds with more dynamic and higher efficiency to an ever changing business environment and increasing complexity.

Management Strategy. Process management development



- Strategic processes
- Key processes
- Support process

Develop a motivated and capable team

Purchasing & supplier development

Proceso: Comprar y desarrollar proveedores P.10

Misión: Comprar los materiales y servicios necesarios para el buen funcionamiento de la actividad productiva del Grupo Tubacex, aprovechando las sinergias y minimizando los costes de adquisición, a la par que garantizando la calidad y los plazos requeridos. Compra de materias primas en colaboración con el proceso de venta con el fin de aprovechar las oportunidades de negocio y maximizar los márgenes, administrando las fluctuaciones y los riesgos en los precios de mercado.

Propietario: DIRECTOR DE COMPRAS

INPUTS
• Necesidad de la compra
• Solicitud de compra

OUTPUTS
• Proveedor desarrollado y aprobado
• Producto o servicio adquirido

Gestión organización de las compras 10.1

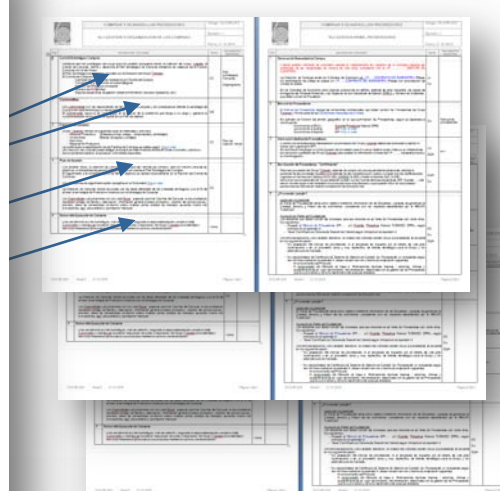
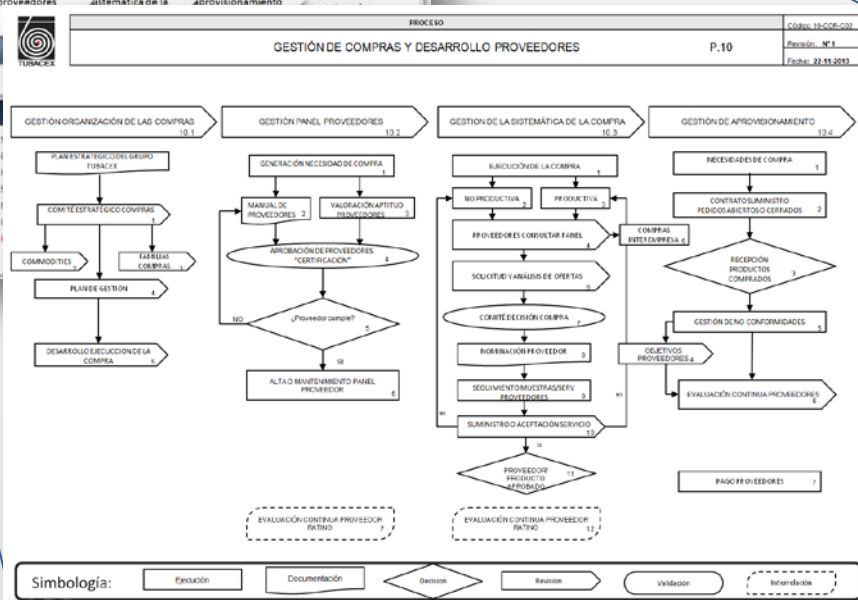
Gestión panel proveedores

Gestión de la sistemática de la compra


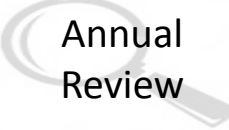

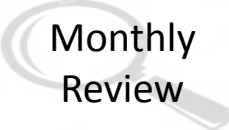



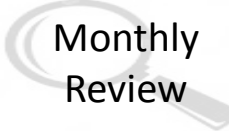




Gestión de aprovisionamiento

- #### Indicadores
- CNO
 - Condiciones de pago (Días)
 - Variación existencias en almacén
 - Panel de proveedores
 - Variación número proveedores
 - Calidad de proveedores
 - RPTM's
 - EO -> Reclamaciones NT
 - Transportes urgentes
 - Mejora costes de compra
 - Ratio ahorro conseguido según presupuesto
 - Diferencial precios compra vs precio venta
 - Evolución precio compra vs Metal Bulletin

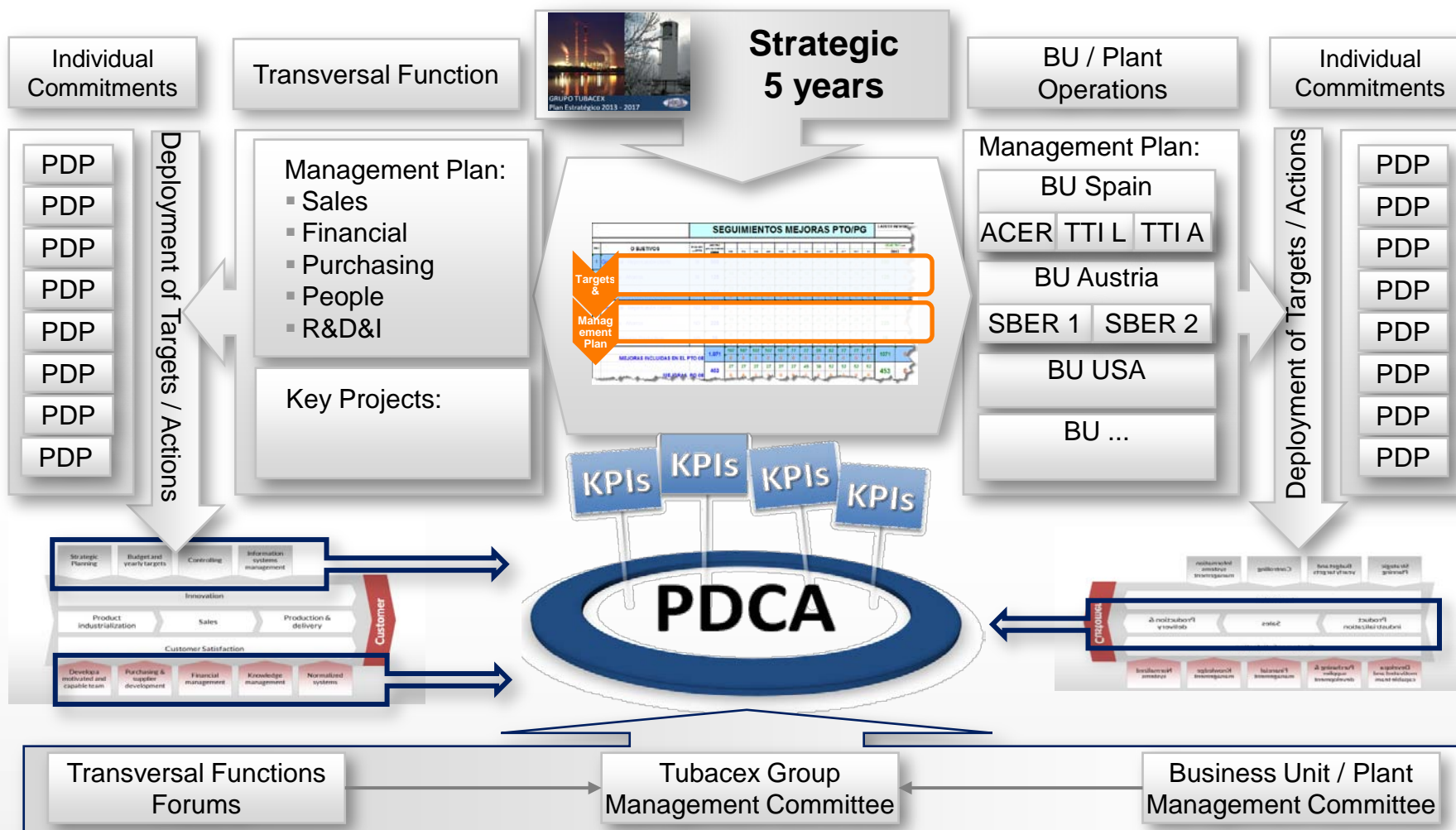
- Misión
- Owner
- Process main inputs & Outputs
- Subprocesses
- KPIs
- Main tools
- Control standards (policies, etc)



Management Strategy. Management cycle

Cycle	Scope	Review
 Strategic Cycle	5 years	 Annual Review
 Budgetary Cycle and Management Plan	Next Year	 Monthly Review
 Improvement Project Cycle	Variable (Quarterly)	 Weekly Review
 Monthly Meeting Cycle	Month	 Monthly Review
 Daily Meeting Cycle	Previous Day	 Daily Review
 Shift Meeting Cycle	Previous Shift	 Daily Review

Management Strategy. Management model



Management Strategy. Management focus

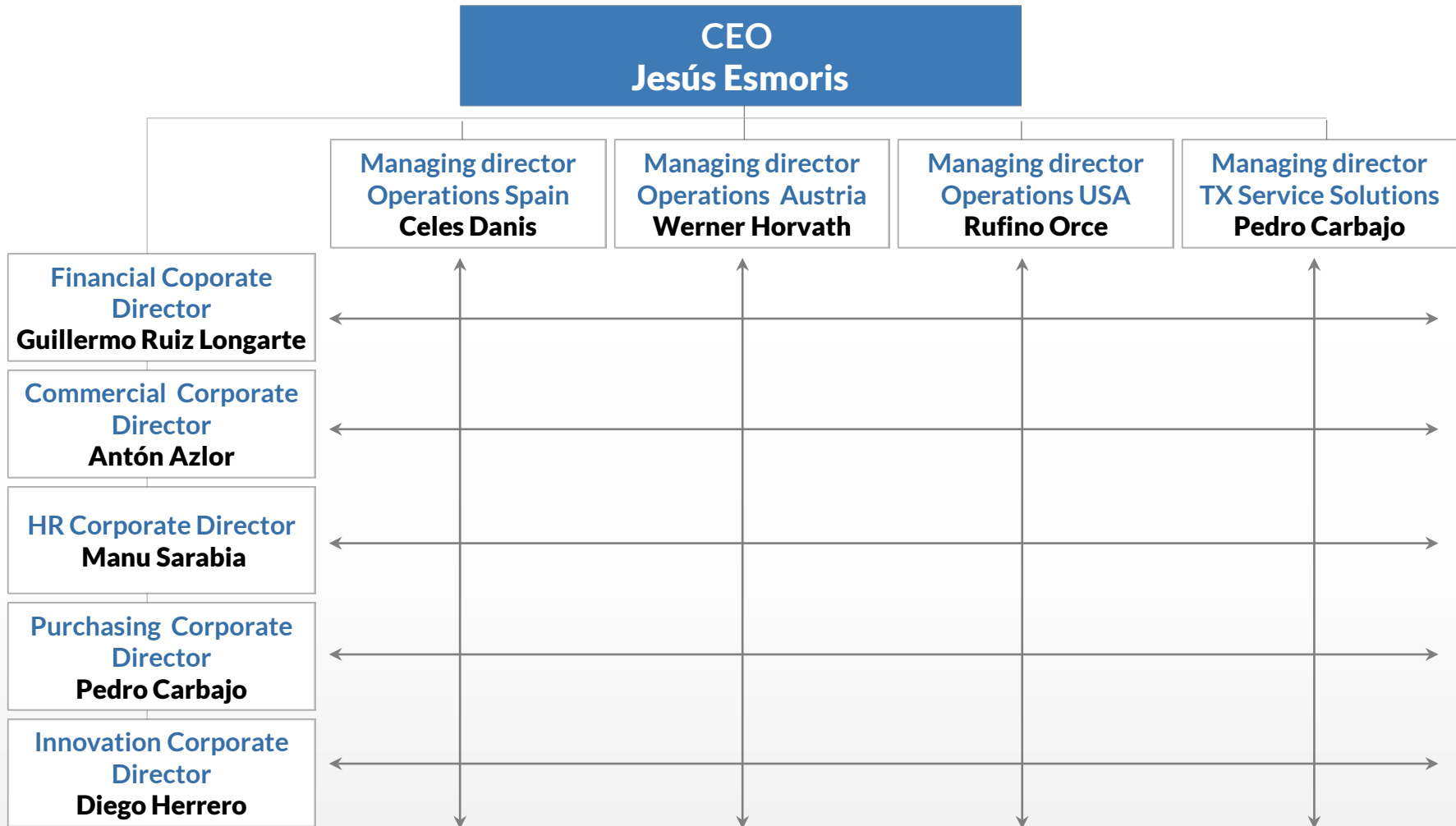
- Optimize synergies through a matrix organization
- Take advantage of local knowledge and proximity to value creation with a global product vision and disciplined processes
- Extension of management by processes - to facilitate the proper running of a matrix organization



Key considerations

- Continuous and discontinuous line (dependency) well defined
- Functions and responsibilities for key processes very clear
- Goals of the employee are defined by both
- The «coaching» is done together

Management Strategy. Executive Team



Management Strategy. Forums

Forum	Participants	Frequency	Calendar	Functions
Management Committee Leader: CEO	Operations Directors Corporate Directors (Controller, Commercial, Innovation, Purchasing, HR, Quality-Improvements)			
Executive Committee Leader: CEO	Management Committee + Account Managers + Others to be defined			
Operational Leader: Operations Director	<ul style="list-style-type: none"> • CEO • Managers • Operations Team • Corporate Team 			
Technical-Commercial Leader: Commercial Director	<ul style="list-style-type: none"> • CEO • Operations Director • Sales Representatives • External Sales Representatives • Innovation Director 			
Annual Convention Leader: CEO and Corporate Director HR	=100 Key People in the Group			
Innovation Committee Leader: Innovation Director	<ul style="list-style-type: none"> • CEO • Operations Director • Technical team • Management Committee Observers 	1/Quarter 3/year	JANUARY	<ul style="list-style-type: none"> • Progress review of innovation projects
People Committee Leader: People Management Director	<ul style="list-style-type: none"> • Management Committee • HR Directors • Development Director 	2/year ½ day	JUNE	<ul style="list-style-type: none"> • Organization • Knowledge Management • HR Policy • Revision: <ul style="list-style-type: none"> • High Potentials • Succession Plans • Replacement Plans
Functional Committees Corporate Functional Directors	• Functional Directors and their teams	1/month		• Management Monitoring
Operations Management Committee	<ul style="list-style-type: none"> • Operations Director • Managers • Operations Team 	1/month		• Management Monitoring

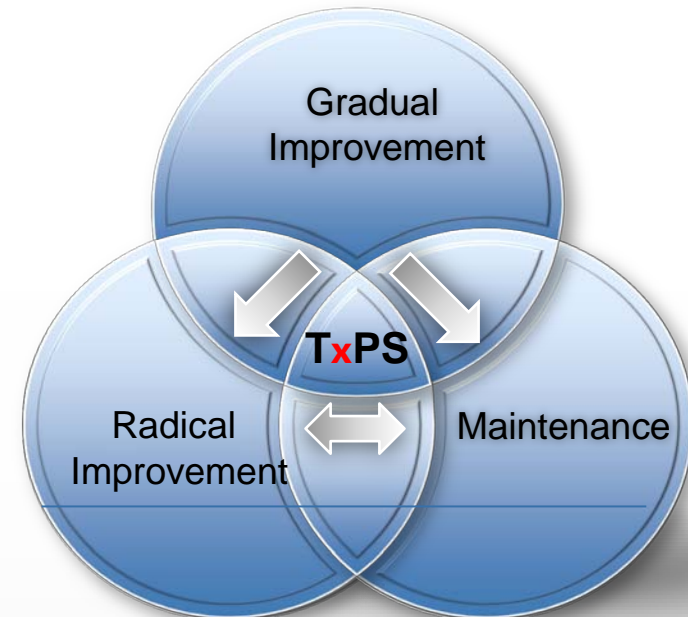
The majority of the forums are already underway and are offering contributions

Industrial Strategy



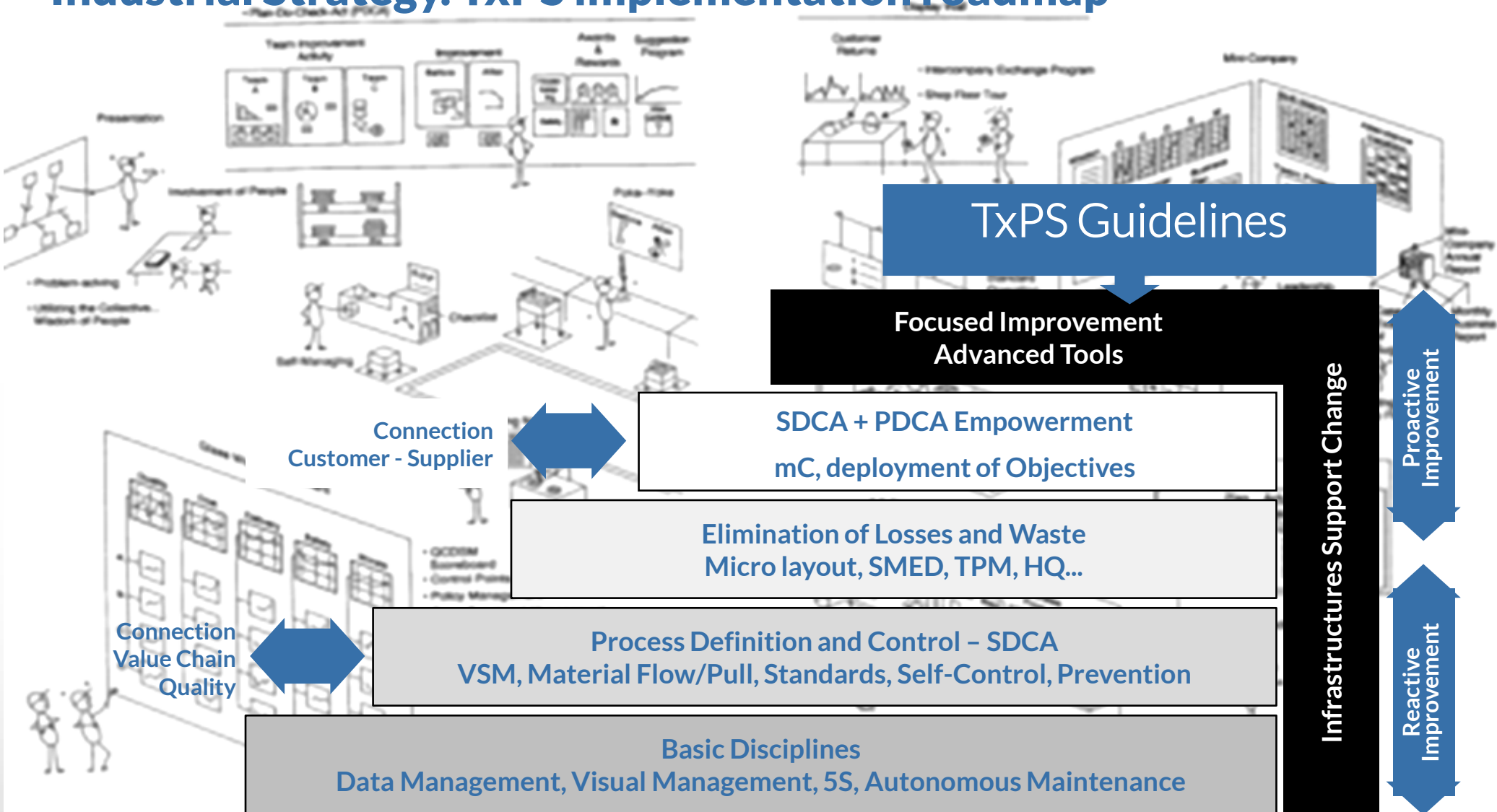
Definition of the TxPS as a universal Management System for all operations of the Tubacex Group.

- **KAIZEN:** Implementation of systems for ongoing robust improvement in all areas and involving all personnel to ensure that the improvements are long lasting
- **RADICAL IMPROVEMENTS:** Rapid production transformation programs with significant and immediate impact on results
- **MAINTENANCE:** Initiative to transform maintenance with advanced tooling to assure and continuously improve the reliability of our machine



Significant results in terms of competitiveness and quality

Industrial Strategy. TxPS implementation roadmap



Industrial Strategy

Implementation of basic disciplines:

- Data Management
- 5S Visual Management
- Methodology
- Self Maintenance
- Trouble-shooting Methods



S 38

S 40

S 42

S 44

S 46

¿Y tú cómo
ESCRAS?



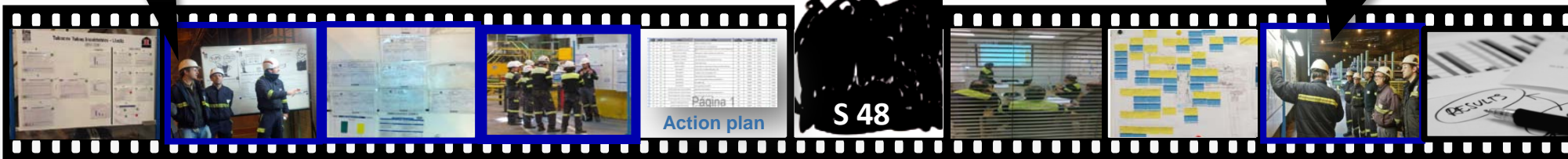
S 48



S 50

S 52

2014



Together towards excellence



Industrial Strategy – Infrastructures supporting change

Management through different key tools at a global level:

- TxPS fully integrated in the Tubacex management model
 - PDCA, PDPs, project management, etc.
- Continued training of teams, middle management and operators
- Local recognition initiatives
 - Monthly SCRA, "Hitparade SCRA" etc.
- Monthly communication campaign
 - posters, information charts, pocket manual, flyer, etc.



1

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Strategic Plan 2013 – 2017

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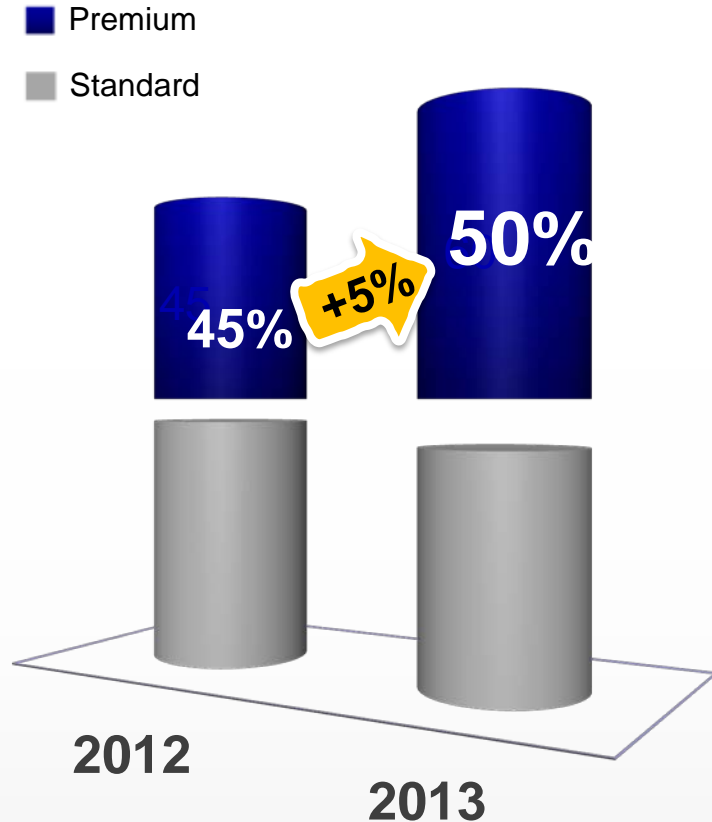
Goals achieved in 2013

4

Growth Strategy

Product Strategy. Premium positioning progress

Sales mix breakdown



Developments to be highlighted



OCTG

- New Finishing Line
- Extended Product Range



Offshore

- High alloy orders
- Extended Product Range



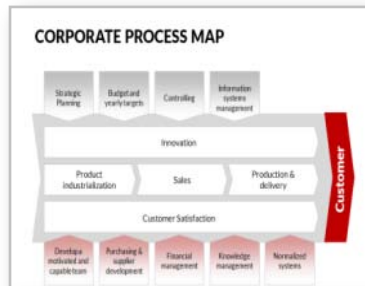
Umbilicals

- Official approvals with main end-users



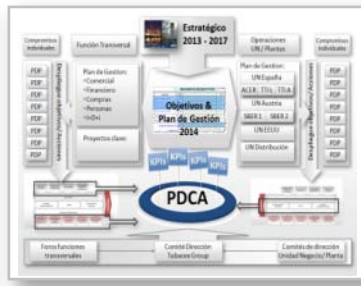
Significant increase in premium product sales

Management strategy. Continuous Improvement management initiatives



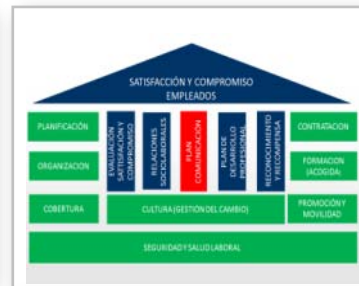
Process Management

- Process map redefinition
- Global deployment of best practices
- Process discipline



Annual Management Plan

- Annual Management Cycle
- Target alignment and deployment
- Review Forums
- Performance Indicators (KPIs)



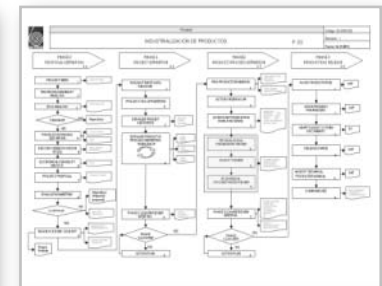
PDPs

- Coaching and human capital development
- Team performance appraisal



Innovation

- Innovation process re-focusing
- Idea creation acceleration
- R&D&I structure reinforcement



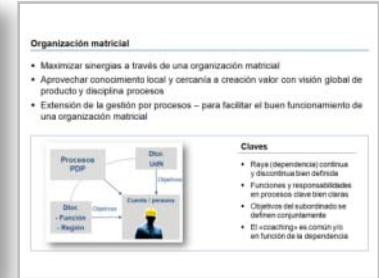
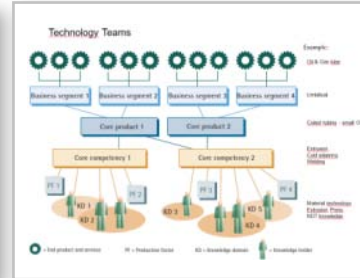
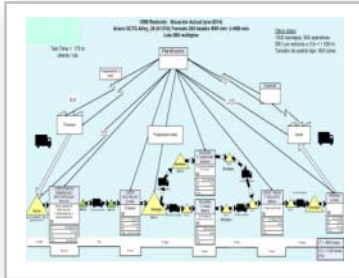
Industrialization

- Industrialization process creation
- Global deployment
- Progress monitoring and management



Continuous implementation of advanced management tools

Management Strategy - Operational and organizational excellence



TxPS - Phase I

- Data and visual management
- Management cycles for Shift/day and month
- Efficient troubleshooting

Dramatic Improvements

- Implementation of Lean-Tools in pilot projects
- Focus on Stock reduction and flow improvement
- Quick-wins

Business Teams

- Product focus reinforcement
- Product strategy leadership
- Multi-disciplinary teams

Tech. Teams

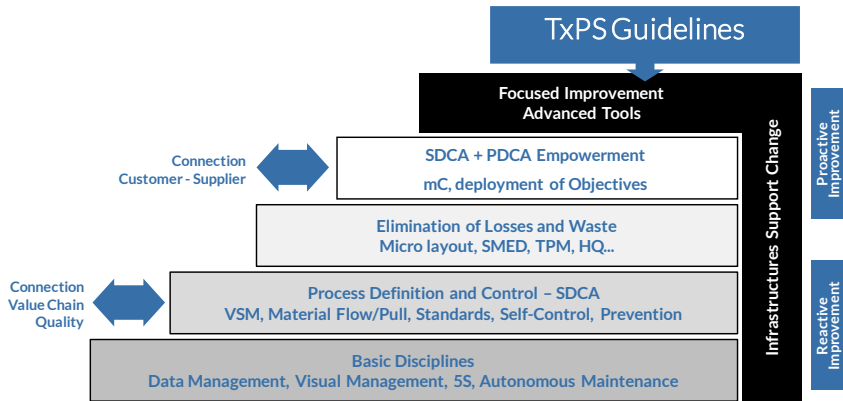
- Standardization of best practices
- Cross-company benchmark
- Technological references
- Process innovation

Matrix Org.

- Reorganization through synergy maximizing
- Cross global vision / local advantages
- Management extension per process

High-performance equipment and system implementation

Industrial Strategy – Progress according to the Implementation Roadmap



We defined the TxPS Roadmap with five lean levels in the previous strategic plan, which are still valid and are being implemented in all of the plants at the appropriate time.

	DISCIPLINAS BÁSICAS					SDCA					Other				
	Visual Management	5S	TPM	SMED	Autonomous Maintenance	VSM	Material Flow/Pull	Standards	Self-Control	Prevention					
Austria	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2015	✓	✓	2015	
TU Studio	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2015	✓	✓	2015	
TU America	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2015	✓	✓	2015	
SMER	✓	✓	✓	✓	✓	2014	2014	✓	2016	2015	2015	2015	2015		
SMER	✓	✓	✓	✓	✓	2014	2014	2014	2015	2015	2015	2015	2015		
SAJEM	✓	✓	✓	✓	✓	2014	2015	2015	2014	2016	2015	2015	2015		

Spain:

Launching Lean Level 2
Process definition and control
Example on following page

Austria and USA:

Progressing on Lean Level 1
Closing basic disciplines
Example on following pages

**Work team is exceeding expectations and is ahead of the implementation plan.
Schedule Time flexibly managed by each plant in accordance with its needs**

Industrial Strategy - Actions

Press Performance

- Increase of 15% Ton/d in spite of unfavorable mix
- **Considerable improvement in rounded containers**
- Future: TPM (TiM)

Plant Load

- Load increase of 15% Ton/d
- **Without external roughing in '14**
- With improvement margins with and without external roughing

Deliveries

- **DBR: traffic light prioritization, item pickers**
- **Consequences:**
 - **1. Positive Backlog Evolution**
 - **2. Lead time/stock Reduction**

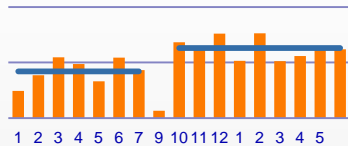
Productivity

- **TxPS Management: OEE Overall increase**
- Radical Improvement: 2.2 Mio Euro savings in 2013
- **Continuous improvement has no limits**

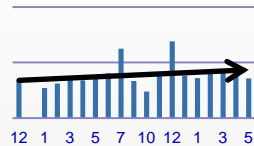
MauM

- Positive evolution in hot rolling
- **OCTG Monitoring commenced: good evolution**
- Good evolution in standard and special steels.

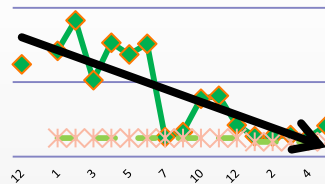
Ton/d Press



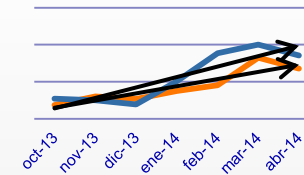
Ton/d Prod



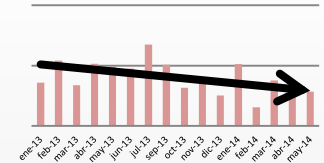
TTI BACKLOG



OEE Amurrio



MauM (Llodio)



The improvements implemented will help increase the production mix.

Goals achieved in 2013



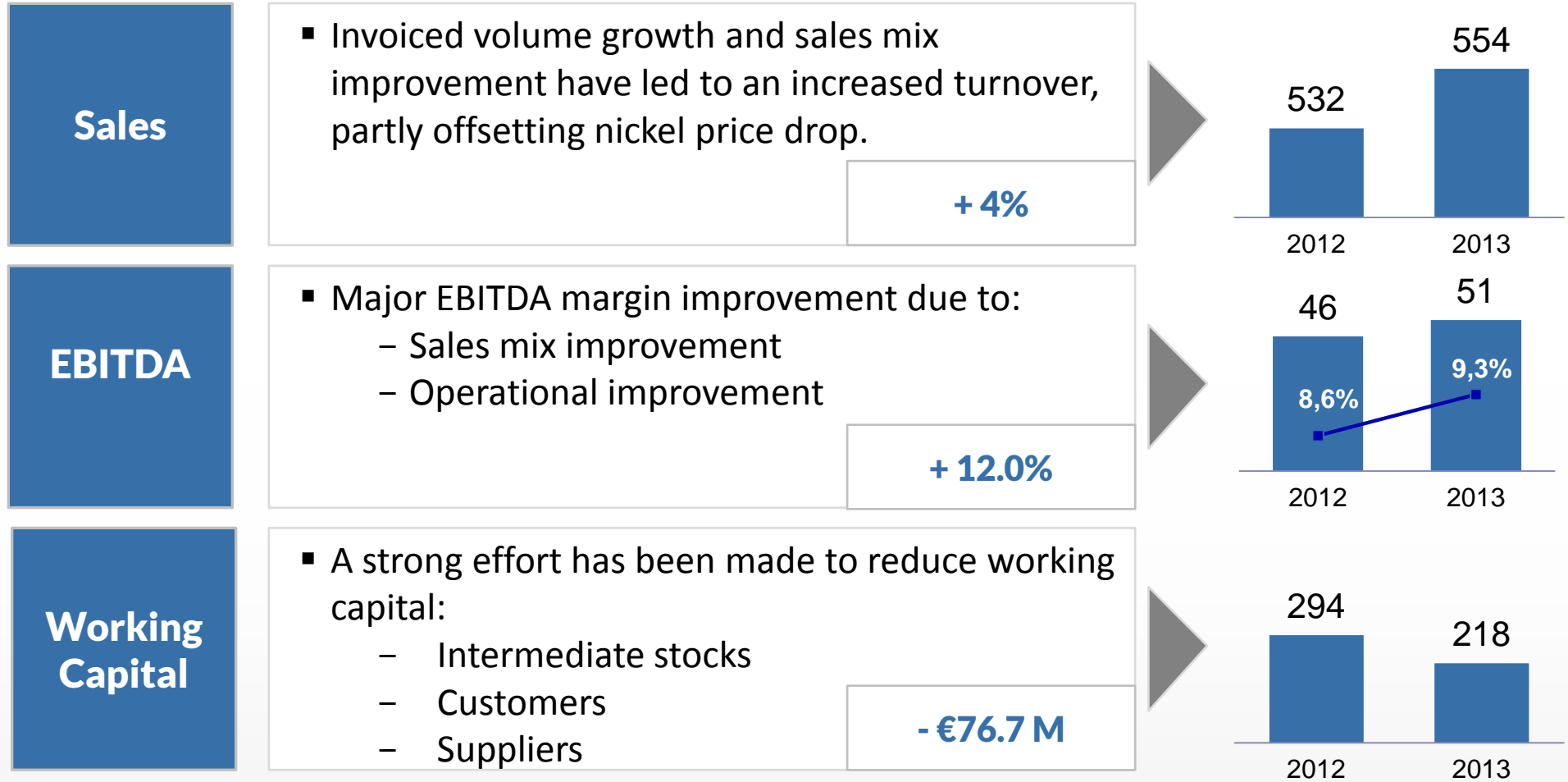
Key Financial Figures

<i>Million Euro</i>	2012	2013	%
Sales	532.4	554.1	4.1%
EBITDA	45.8	51.3	12.0%
EBITDA Margin	8.6%	9.3%	
EBIT	26.5	31.5	18.7%
EBIT Margin	5.0%	5.7%	
Profit Before Tax	13.1	16.6	26.5%
Margin on sales	2.5%	3.0%	
Net Profit	11.9	15.0	26.6%
Net Margin	2.2%	2.7%	
Working Capital	294.3	217.6	-26.1%
Net Financial Debt	262.3	194.6	-25.8%
Net Financial Debt / EBITDA	5.7x	3.8x	
Gross Cash Generation	16.1	128.0	



Significant improvement in all items

Main item evolution

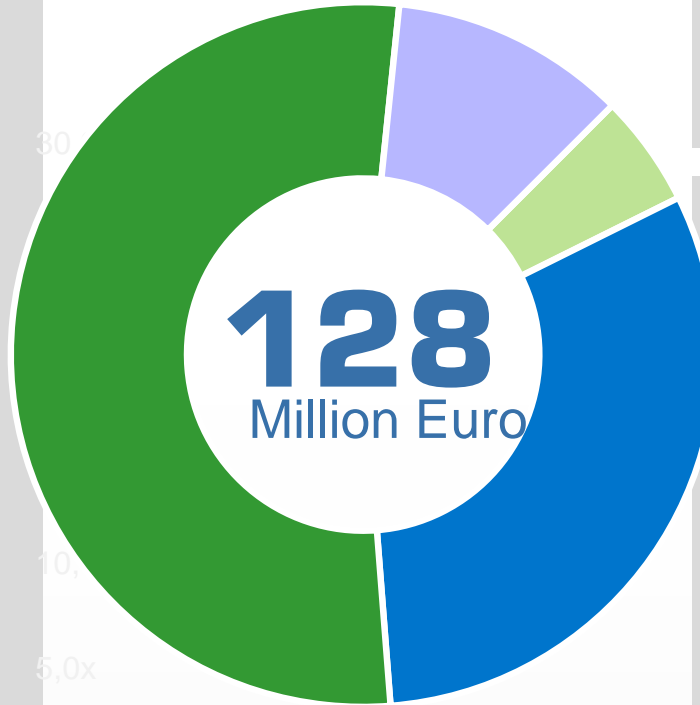
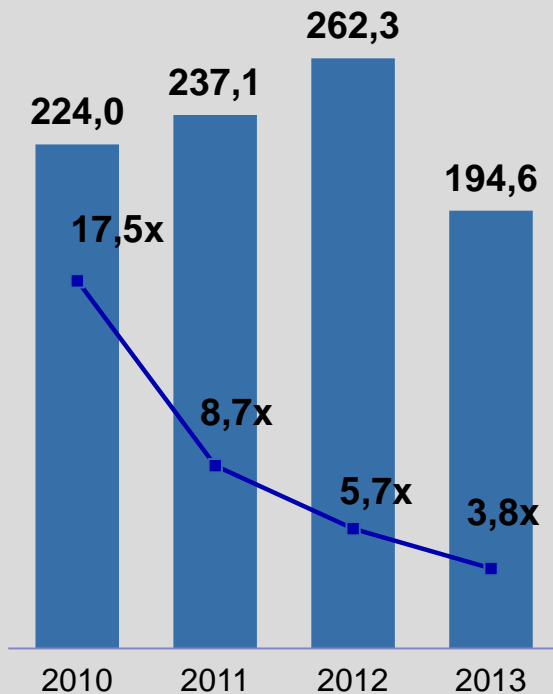


Increased results and working capital reduction

Cash Flow Generation

Debt reduction (€67.7 M)

- Financial structure improvement



Other (€13.9 M)

- Interests
- Taxes

Dividends (€6.6 M)

- Commitment to shareholder remuneration
- 40% Pay out

Capital Expenditure (€39.8 M)

- Competitive situation improvement in premium products
- OCTG finishing line, extrusion mill power increased in Llodio, Salem, etc.



€128M gross cash flow generated

First Quarter. Key Financial Figures

<i>Million Euro</i>	Q1 2013	Q1 2014	%
Sales	145.5	140.3	-3.6%
EBITDA	14.4	16.5	15.1%
EBITDA Margin	9.9%	11.8%	
EBIT	9.0	10.9	20.4%
EBIT Margin	6.2%	7.7%	
Profit Before Tax	5.2	7.6	45.2%
Margin on sales	3.6%	5.4%	
	Dec. 2013	Q1 2014	%
Working Capital	217.6	213.7	-1.8%
Net Financial Debt	194.6	176.7	-9.2%
Net Financial Debt / EBITDA	3.8x	3.3x	








Gradual improvement trend continues

Goals achieved in 2013



Phase I 2013 -2014

	Phase I 	Q1 2014	Phase II 
Product Mix	30% High Value-added Products vs. 70% Traditional	38.9% 	40% High Value-added Products vs. 60% Traditional
Sales Growth	> 15%	+9.0% ¹	> 15%
EBITDA Margin	10%	11.8% 	12%
Net Debt / EBITDA	< 3x	3.3x	2 – 3x
RoCE	10%	7.4%	12%
CNO / Sales	45%	38.9% 	40%

1. Sales growth in the first quarter of 2013 versus the first quarter of 2012, assuming nickel price is steady.



Focus on the second phase

Phase II Focus

CHANGE OF BUSINESS
MODEL



PRODUCTIVE MODEL
OPTIMIZATION

GROWTH
(organic and
inorganic)
ACCELERATION

**MANAGEMENT
MODEL**
IMPLEMENTATION



Introducing the new growth axis

1

Tubacex Group

2

Strategic Plan 2013 – 2017

3

Goals achieved in 2013

4

Growth Strategy

Introduction



Vision: Be a solutions provider

- Organic and inorganic growth focused on value generation seeking complementarity and synergies.
- Maintain debt multiples of 2-3 times EBITDA.
- Feasible and manageable integration processes.

Organic Growth

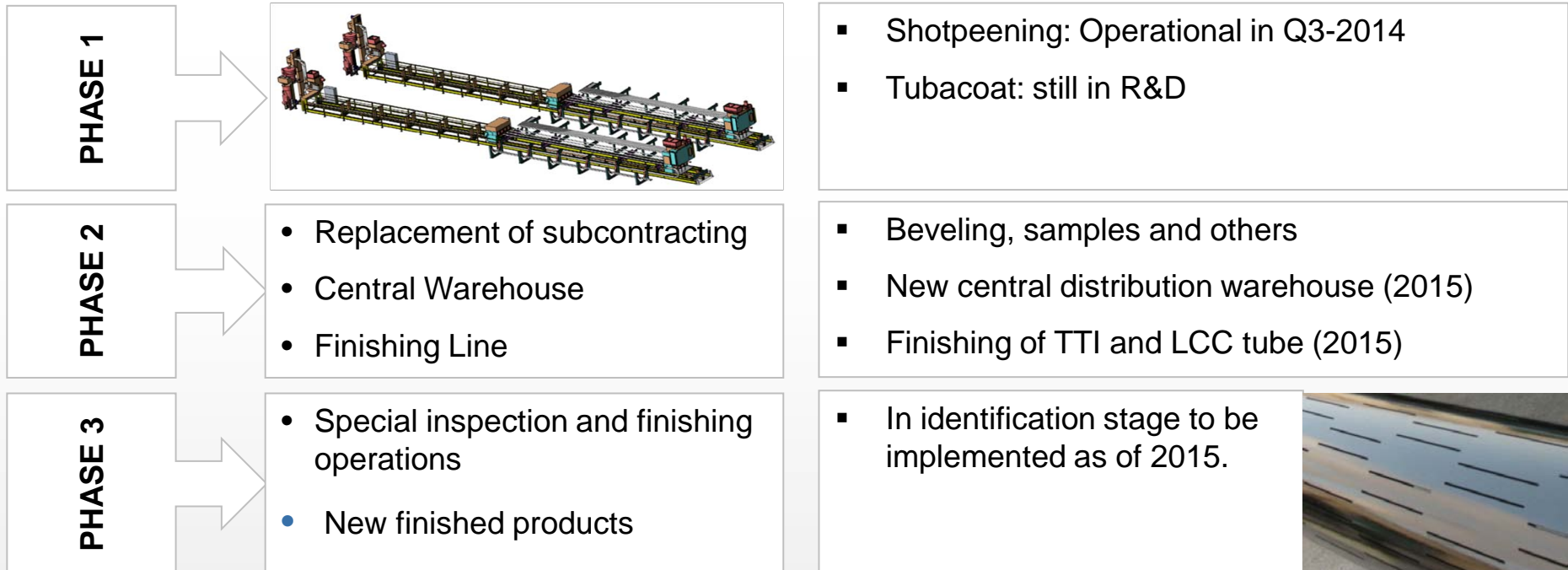
- Strategic Alliances
- New Products
- New factories

Inorganic Growth

In:

- “Brown Feald” in LCC
- Complementary products
- Services to increase added value

Organic Growth. Tubacex Service Solutions

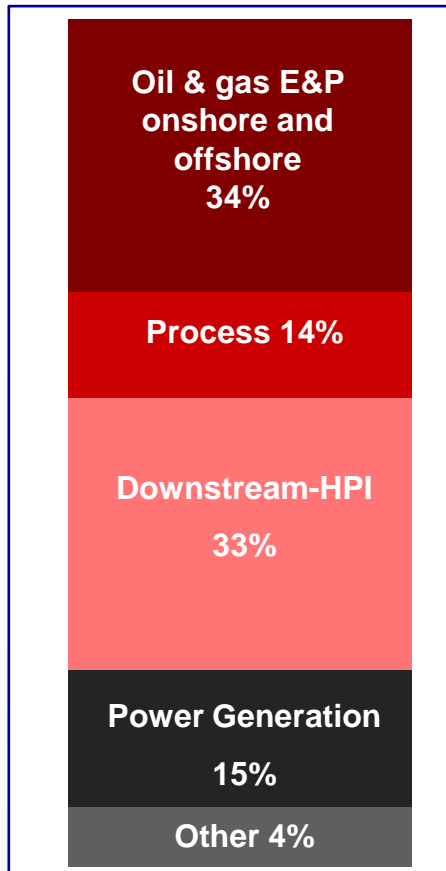


Organic Growth. Tubacex Product Strategy

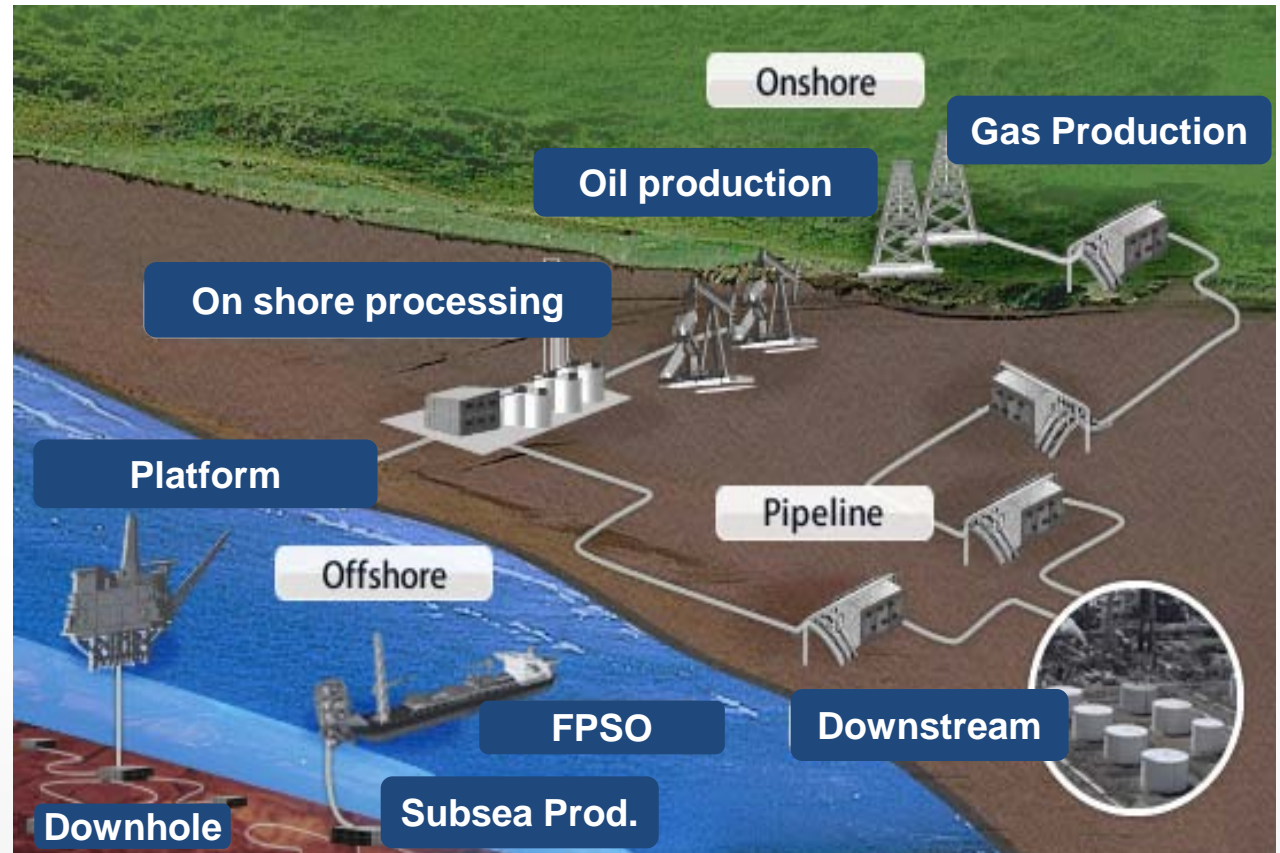
Oil & Gas E&P	Downhole	OCTG
	Subsea	Well Intervention Trees, Manifolds, Flow lines Umbilical, Control lines
	Top side	Risers, Jumpers, Connections Platforms, FPSO
Midstream	Transportation	Ships Process piping
	Process, re-gas	
	Refining	
Downstream Hydrocarbon process Industry	Petrochemical	Linepipe Furnace, Heaters Heat exchanger, Air coolers Condenser, Scrubber
	Fertilizer	
	Power Generation	
Power Generation	Power Generation	Boiler Nuclear
Metal mechanic	Metal-mechanic	Hollow Bar Bar & Billets
Other Industries	Aeronautic, precision, water, food...	Instrumentation, Hydraulic

Organic Growth. Tubacex Product Strategy

TX Sales % 2013



Oil & Gas Industry Diagram



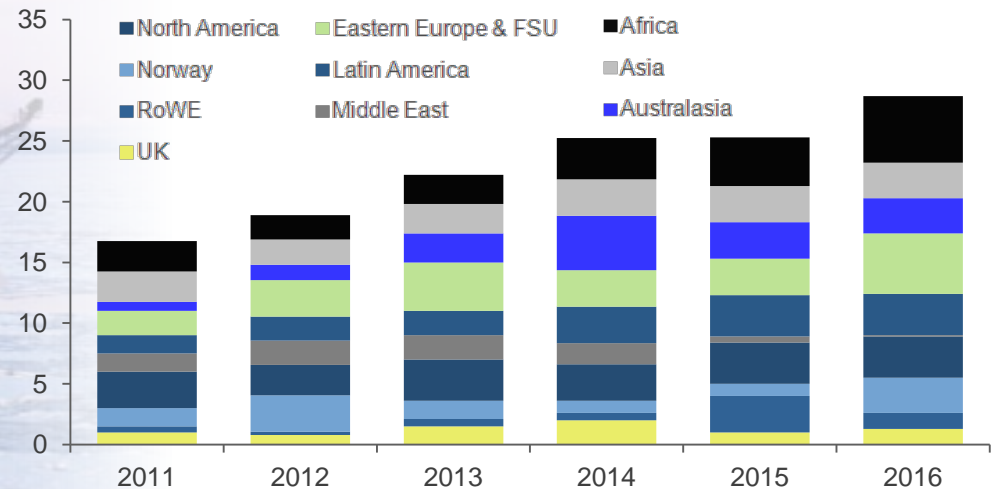
Strong presence in the Oil&Gas sector

Organic Growth – Oil&Gas E&P: Subsea



- The umbilicals market continues to show very high growth rates over 5%.
- Good fundamentals with sustained and more variable growth for subsea and top-site, respectively.
- Opportunity: to complete our portfolio and continue progressing in our knowledge curve to strengthen our competitive situation.

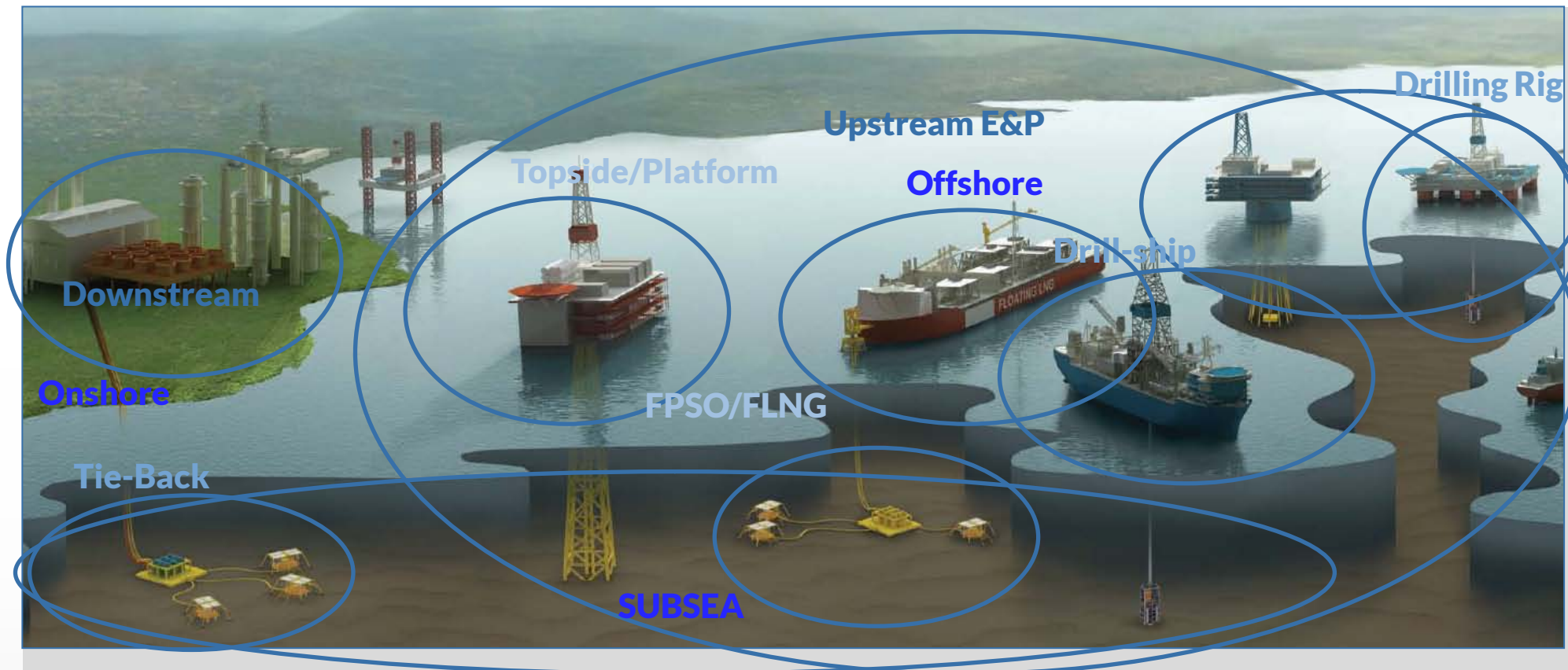
Subsea Market



Source: World Subsea Hardware Market 2012-2016 (Douglas-Westwood)

>5% Subsea and Top-site Growth

Organic Growth – Oil&Gas E&P: Subsea. Concepts

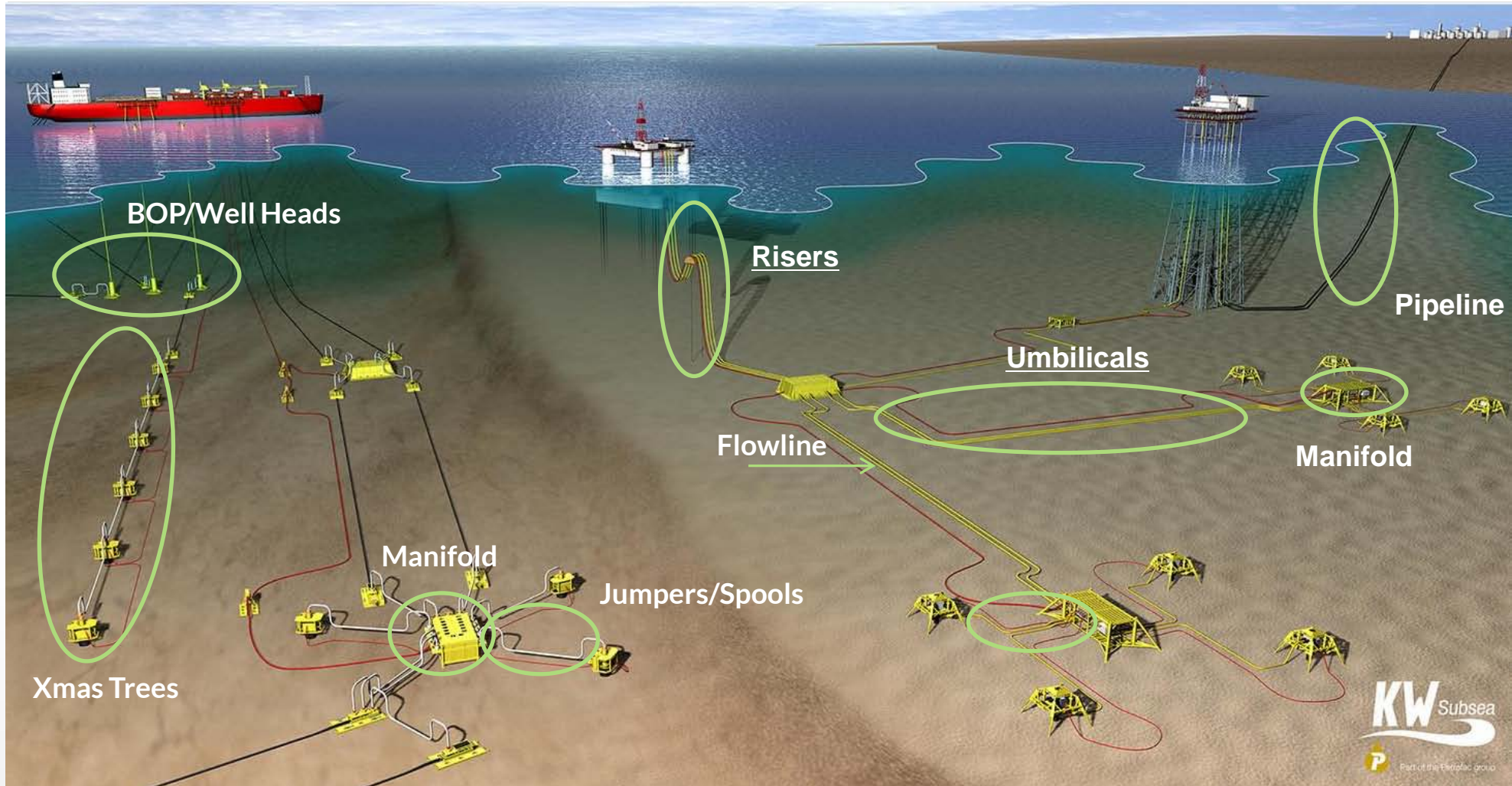


FPSO: Floating, Production, Storage and Offloading. FLNG: Floating Liquefied Natural Gas

SURF: Subsea, Umbilicals, Risers and Flowlines

Greenfields: New Fields. Nowadays Deeper waters, HPHT field

Brownfield: Old fields that need to increase recovery



Organic Growth – Oil&Gas E&P: Subsea. Players

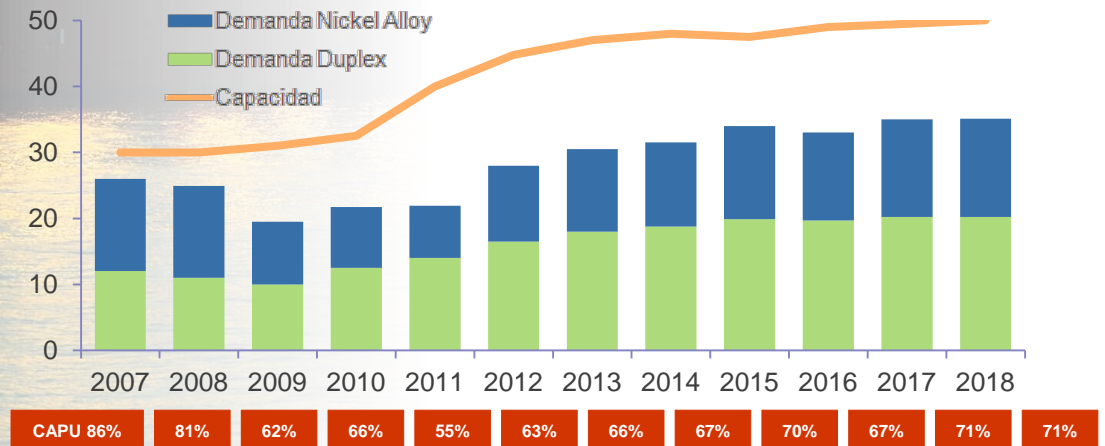


Organic Growth – Oil&Gas E&P: OCTG



- Our competitive position in OCTG is strong thanks to our investments and applied R&D
- Development prospects are very positive for Asia (Middle East and Far East)
- Tubacex was very well received by end-users
- Opportunity: to continue our technological development with new dimensions and grades

OCTG demand evolution



Source: SMI-Steel Market Intelligence GmbH

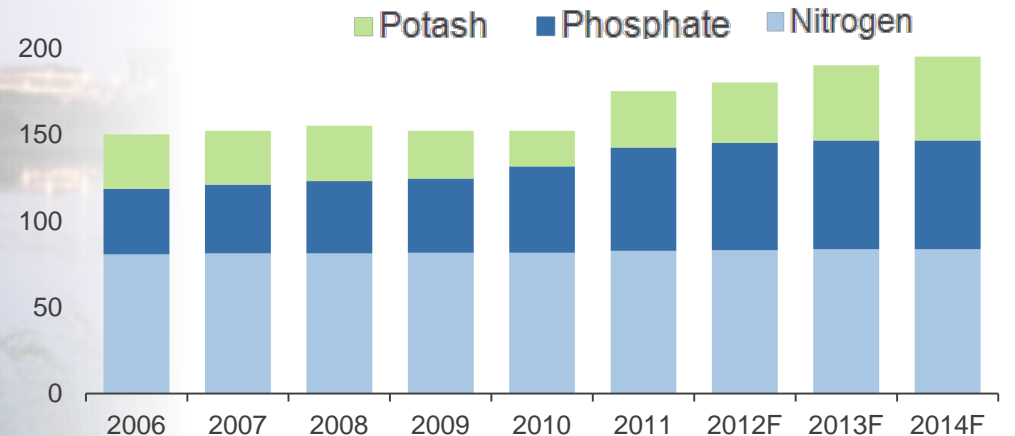
>5% expected growth

Organic Growth – Downstream HPI: Fertilizer



- The fertilizer market is a key target of our new Strategic Plan.
- Sustained growth and lower fluctuations than in the energy sector.
- Opportunity: to increase our market knowledge and to enter into a new market

Global Fertilizer Consumption



Source: Fertecon, IFA, Potash Corp 2011

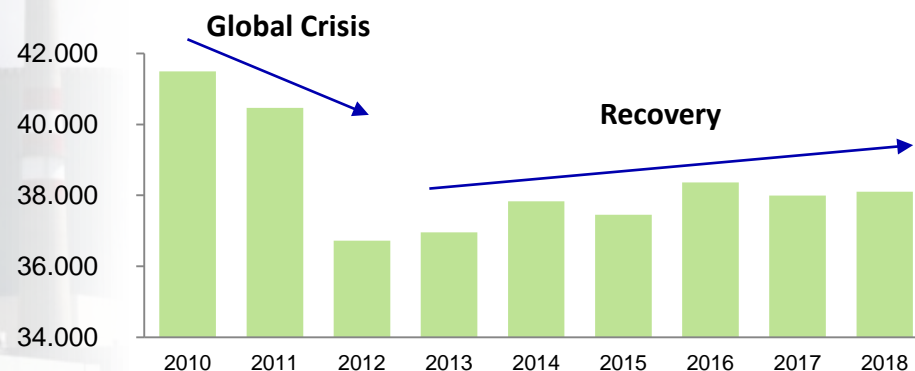
+4% expected growth

Organic Growth - Power Gen



- Nuclear:
 - Our presence in the nuclear market is still reduced but we hope to continue growing.
 - Opportunity: JV Project: Global Nuclear Supply
- Boilers:
 - Power generation prospects are good, despite heavy dependency on China e India.
 - Part of the increase expected in 2014 has already occurred in 2013.
 - Opportunity: increase our cost competitiveness and our market share in China and Korea.

SST Boiler market evolution



Note: figures are calculated applying SST/MW hypothesis to estimated global energy demand

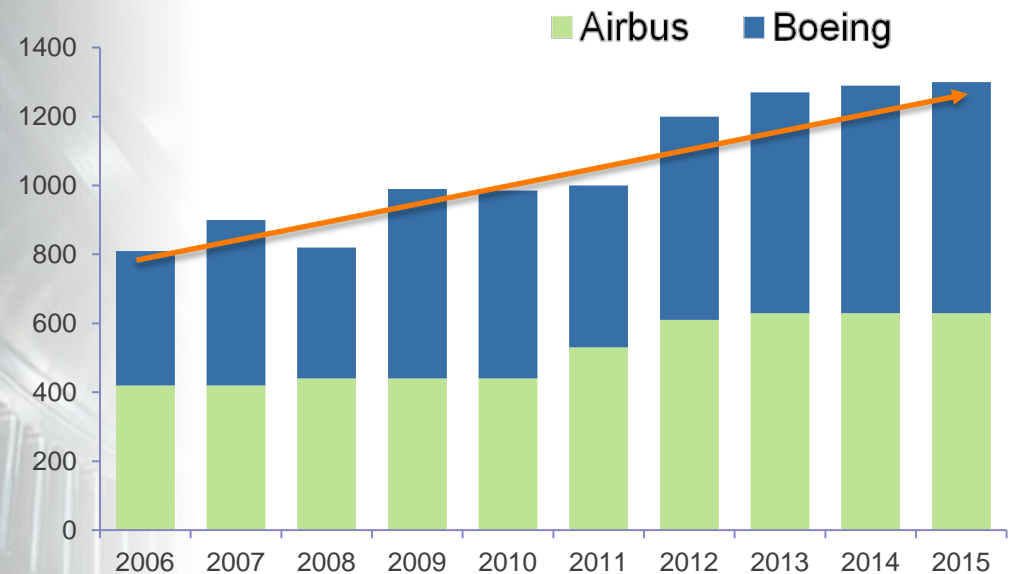
Steady market with growth in Supercritical Boilers

Organic Growth - Precision & Aerospace



- Good fundamentals
- Good competitive position of Salem: major opportunities in the US and to be developed in Europe

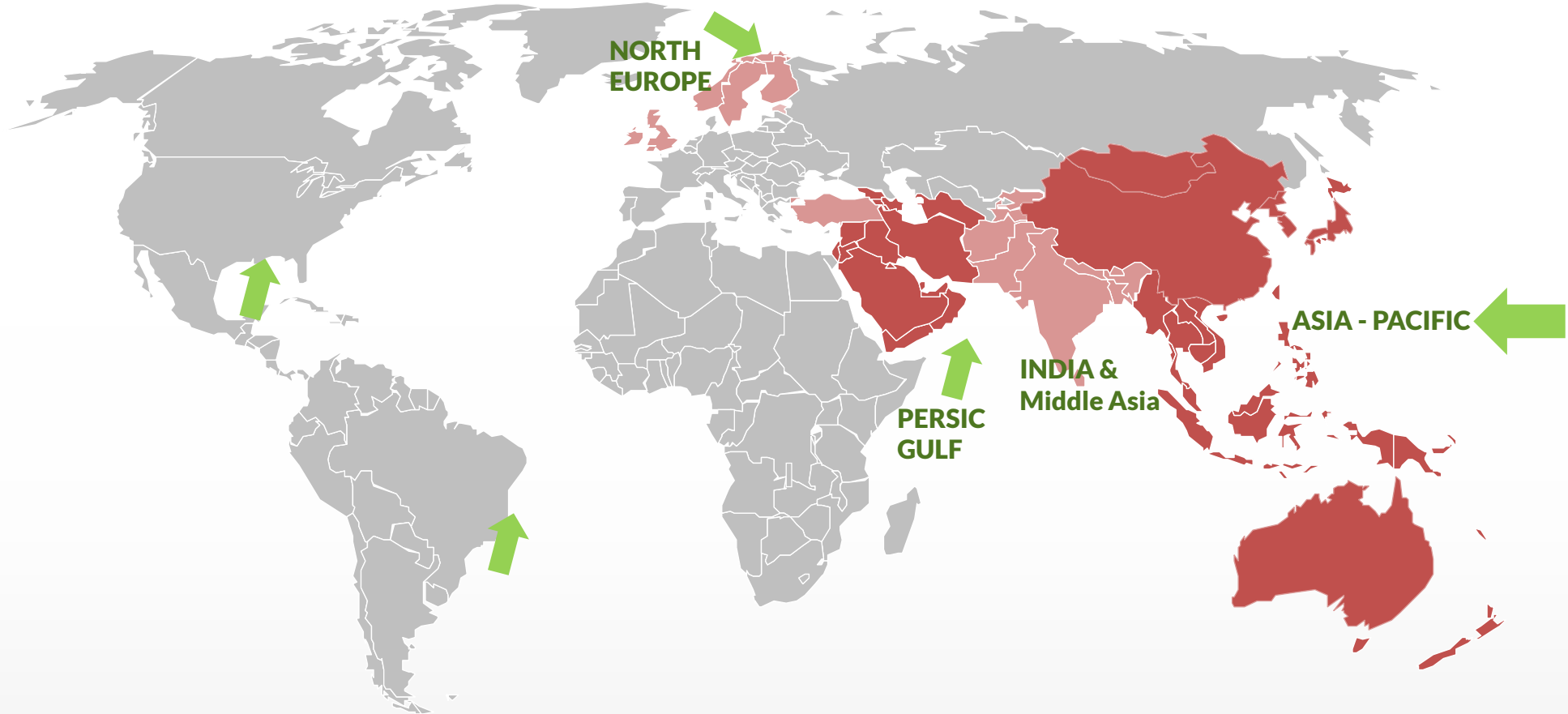
Aircraft Demand



Source: Hydrocarbon Processing

Growth is difficult to measure but positive

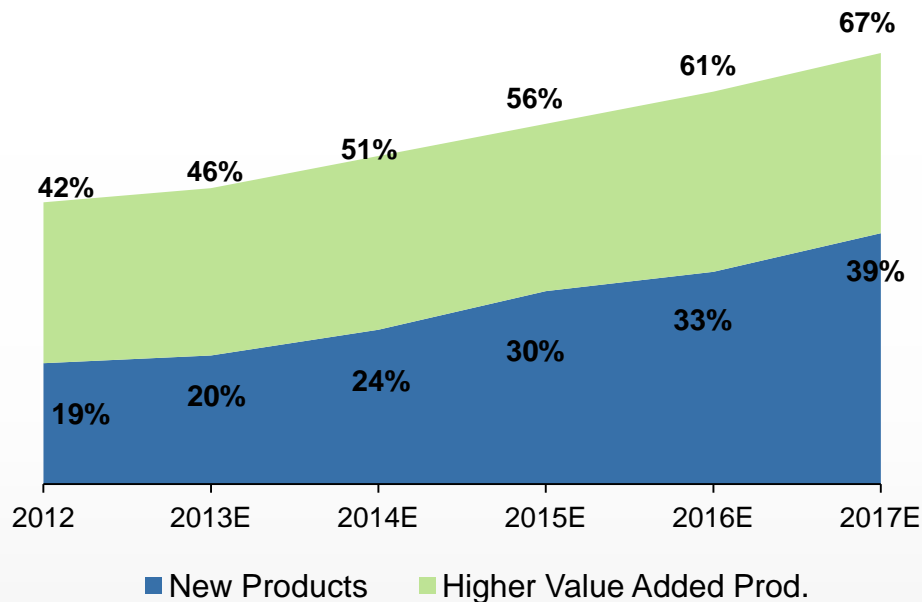
Organic Growth – Geographic Strategy



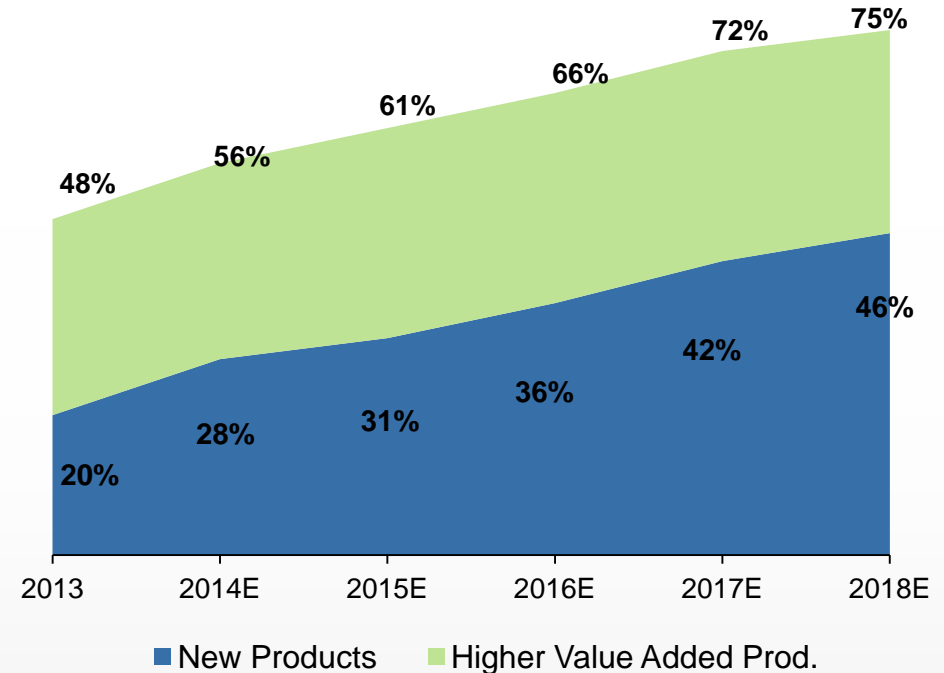
New important hubs appearing in Asia

Organic Growth – Improvement of the mix

Previous projections



Current projections



Increasing the weight of the premium products higher than expected

Conclusion

	Cash Generation	Growth	Consolidation
	Phase I 2013-2014	Phase II 2015-2016	Phase III 2017-2018
Product Mix	30% High Value-added Products vs. 70% Traditional	40% High Value-added Products vs. 60% Traditional	50% High Value-added Products vs. 50% Traditional
Sales Growth	> 15%	> 15%	> 10%
EBITDA Margin	10%	12%	15%
Net Debt / Sales	10%	2 - 3x	2 - 3x
Capex / Sales	45%	40%	35%

We anticipate the fulfillment of the 2017 targets by one year



Questions?

**MANY THANKS FOR
YOUR ATTENTION**



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