TUBOS REUNIDOS, S.A.

FY AND 4Q 2014
RESULTS

Amurrio, 27 February 2015 - Net profit for the Tubos Reunidos Group in 2014 rose by 6.6% to 7.1 million euros and consolidated revenue by 16.4% to 407.9 million euros from the year before. Meanwhile, consolidated EBITDA was 2% lower, at 41.4 million euros.

In the first year of its 2014-2017 Strategic Plan, Tubos Reunidos entered into an agreement with Marubeni Itochu Steel Corporation, Inc. and JFE that increases its value proposition for customers, offering premium connection technology, field service network and global reach in the OCTG segment for oil and gas exploration and production. Meanwhile, the Group has completed 65% of its transformational investment plan.

Significant events and business trends

1.- **16.4% increase in sales.** Tubos Reunidos continued to expand its product and service offering in 2014, reinforcing its competitive position and capturing additional volumes in new, high added-value strategic segments in the energy sector.

2.- Higher sales of OCTG products for the oil and gas sector, of 45%, representing 23% of total seamless steel tube sales value. Growth was particularly noteworthy in North America, where after the investments made Tubos Reunidos now boasts a broad and more competitive range of proprietary products, and offers tubes requiring more stringent finishing processes.

3.- Higher sales of special large diameter tubes , that command higher margins, profitability and are geared towards critical phases of power generation, refining and petrochemical plants, implying an increase of 25% in the first half of the year, and staying in line with 2013 in the second half due to the shut-down of certain production facilities at the large diameter plant, prompting a shift in planning towards lower-margin products with fewer special finishing processes.

4.- Special product sales accounted for 65% of Tubos Reunidos' seamless steel tube revenues in 2014, a percentage point higher than in 2013. This improvement is in line with the targets of the 2014–2017 Strategic Plan, which implies reaching 78% of seamless steel tube revenues by 2017, albeit it has been offset by lower levels of prices in 2014.

5.- The order backlog at end-December 2014 was 33.5% higher than the year-earlier figure, with special tubes accounting for a large percentage.

6.- Tubos Reunidos generated 21.1 million euros of free cash flow in 2014, enabling it to reduce debt by 10.4 million euros, from 182.0 million euros in 2013 to 171.6 million at year-end 2014.

7.- The financial structure remains solid, with 91% of net financial debt maturing in the long term. In 2014, Tubos Reunidos took out 43.9 million euros of bank loans, replacing previous loans. Conditions in the financial market allowed the company to reduce the average cost of debt and extend maturities, increasing its financial flexibility. TR had 66 million euros of undrawn credit facilities at 31 December 2014.

8.- Capital expenditure in the seamless steel tube business totalled 22.8 million euros in 2014.. At the Group level, capex amounted to 27.3 million euros.

9.- Sales growth and the improvement in the product mix were undermined by a number of factors that led to a lower EBITDA margin. These include a negative currency effect (euro-dollar) in the first half of the year, lower prices in general and for OCTG products in the USA in particular, hurt by imports from low-cost countries and delays in the approval of antidumping measures until August, and circumstances at the large diameter plant in the second half of the year.

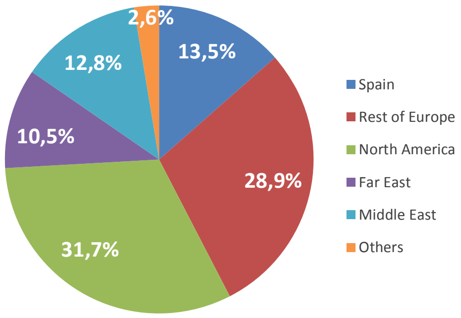
Key indicators for FY and 4Q 2014

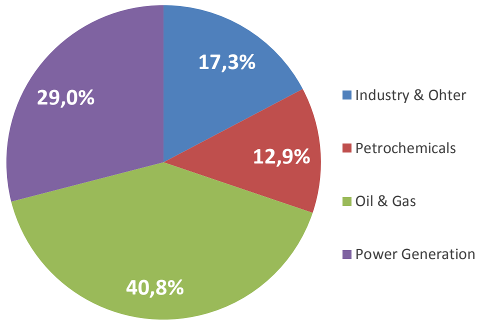
Consolidated ('000 EUR)	Q4 2014	Q4 2013	% var	FY 2014	FY 2013	% var
Revenue	108.064	87.585	23,4%	407.952	350.451	16,4%
EBITDA	10.287	12.921	(20,4%)	41.373	42.237	(2,0%)
% sales	*9,5%*	*14,8%*		*10,1%*	*12,1%*	
EBIT	3.744	7.070	(47,0%)	15.012	17.551	(14,5%)
Net Income	2.000	2.217	(9,8%)	7.079	6.643	6,6%

Consolidated revenue in 4Q 2014 amounted to 108.1 million euros (+23.4% YoY), with EBITDA of 10.3 million euros and net profit of 2 million euros. The product mix was of lesser added value, resulting in a lower margin for the period.

Market situation and trend in steel tube activity by geographic area

Sales by geographic area and sector, 2014 (in euros):





Tubos Reunidos saw a considerable increase in activity in the oil and gas segment in 2014, which comprises OCTG and linepipe products, representing 40.8% of the group's total seamless tube sales, compared to 33.6% in 2013. Growth was driven by the addition and increased positioning in new OCTG segments, which accounted for 23% of sales in 2014, up from 17% in 2013.

Europe (42.4% of sales in 2014 vs. 44.7% in 2013): Tubos Reunidos delivered an 8% increase in sales in 2014 in Europe, a market where apparent consumption remained stable.

North America (31.7% of sales in 2014 vs. 30.0% in 2013): The Group's sales in North America performed well during the year, underpinned by greater product capabilities and the Group's increased competitiveness. Moreover, oil and gas extraction activity in this market fared well, with a 6% increase in the average number of active platforms, along with higher demand for special seamless tubes. This was achieved despite the negative impact of: a) the euro-dollar exchange rate in the year's first three quarters, and b) the negative impact on tube import prices from low-cost countries until antidumping measures were adopted in August 2014.

Middle East (12.8% of sales in 2014 vs. 3.9% in 2013): Tubos Reunidos achieved a significant jump in sales in the Middle East where, in addition to stepping up its commercial presence in 2013, it won contracts to supply large diameter premium tubing, as well as tubes for boilers and furnaces, for power generation, refining and petrochemical projects.

Far East (10.5% of sales in 2014 vs. 16.5% in 2013): Sales in this market focused on high added-value products, mostly for projects in the energy sector. In the first nine months of 2014, sales in the Far East were lower than in the same period the year before.

Agreement with Marubeni Itochu Tubulars Europe and JFE

In November 2014, Grupo Tubos Reunidos reached an agreement with Marubeni-Itochu Tubulars Europe Plc. (MITE), a subsidiary of Marubeni-Itochu Steel Inc., for the manufacture, marketing and supply of OCTG premium products for oil and gas drilling worldwide.

The agreements includes the establishment of a joint venture in Alava for threading of Tubos Reunidos' OCTG premium tube products. The JV has a license to use JFE Steel Corporation's premium OCTG threading technology, which will enhance its response to growing market demand for OCTG products worldwide.

With total investment of 30 million, the agreement is expected to create 80 new jobs in the initial phase of the project. The JV is 51%-owned by TR and 49% by MITE. Located Alava, the new plant is expected to begin production during the first quarter of 2016.

Dividends

In 2014, Tubos Reunidos paid 3.1 million euros of dividends out of 2013 profit.

The Board of Directors has agreed to propose to the General Shareholders' Meeting payment of an interim dividend out of 2014 profit of a gross 0.0115 euros per share (0.0092 net), for a total of 2,008.830 euros.

Outlook for 2015

Tubos Reunidos has begun 2015 amid a sharp drop in oil prices, which is causing oil and gas companies to curtail investment plans and scale back drilling activity and, accordingly, hurting demand for OCTG tubes. Meanwhile, competition is becoming stiffer in other market segments.

To face this environment, Tubos Reunidos boasts balanced geographic and product mixes, with improved product capabilities, service and competitiveness and a favourable exchange rate of the euro against the dollar. The management of the Group continues to work towards the objectives stablished in the 2014 – 2017 Strategic Plan, for which Tubos Reunidos counts with a highly flexible operating management model that enables it to continuously adapt to the levels of market activity. Additionally, the Group will continue to implement cost control and operational efficiency policies, after having gained insight and experience from the new operating processes that have emerged as a consequence of recent transformational investments.

Tubos Reunidos maintains its debt reduction target set for 2015, even after contemplating the investments to be made in the new plant in Alava and in the high diameter plant towards products with very high outside diameter in special and stainless steels.

The Group is confident about the sector's positive medium-term fundamentals and is working towards achieving its objectives of becoming more competitive, developing new high performance products to meet demand for premium tubes in the energy sector, and on developing a commercial and corporate strategy focused on offering comprehensive service solutions in the fastest growing segments and geographic areas, backed by the aforementioned JV with Marubeni Itochu Tubulars Inc.

Financial Statements

INCOME STATEMENT, Thousands of Euros	Q4 2014	Q4 2013	Q4 2014 / Q4 2013	FY 2014	FY 2013	2014 / 2013
Revenue	**108.064**	**87.585**	*23%*	**407.952**	**350.451**	*16%*
Changes in inventory	14.559	10.711		18.993	1.963	
Supplies	(66.512)	(47.802)		(217.285)	(161.781)	
Personnel expenditure	(25.750)	(25.586)		(101.296)	(95.952)	
Other operating expenses	(27.236)	(21.533)		(86.254)	(77.819)	
Other operating income and net gains/(losses)	7.162	9.546		19.263	25.375	
EBITDA	**10.287**	**12.921**	***(20%)***	**41.373**	**42.237**	***(2%)***
Depreciation and amortisation charge	(6.543)	(5.851)		(26.361)	(24.686)	
EBIT	**3.744**	**7.070**	***(47%)***	**15.012**	**17.551**	***(14%)***
Financial income/(expense)	**(2.674)**	**(4.333)**		**(8.827)**	**(11.429)**	
Profit before income tax	**1.070**	**2.737**	***(61%)***	**6.185**	**6.122**	***1%***
Profits tax	1.125	(456)		1.266	49	
Consolidated profit for the period	**2.195**	**2.281**	***(4%)***	**7.451**	**6.171**	***21%***
Profit from minority interests	(195)	(64)		(372)	472	
Profit for the period	**2.000**	**2.217**	***(10%)***	**7.079**	**6.643**	***7%***

BALANCE SHEET, Thousands of Euros	Q4 2014	Q4 2013
NON-CURRENT ASSETS	**417.639**	**411.801**
Inventories and customers	215.481	191.258
Cash and other cash equivalents	24.464	25.798
CURRENT ASSETS	**239.945**	**217.056**
Assets held for sale	4.599	4.836
TOTAL ASSETS	**662.183**	**633.693**
NET EQUITY	**260.936**	**246.037**
DEFERRED REVENUES	**12.469**	**10.946**
Non-current provisions	3.622	15.183
Bank borrowings and other financial liabilities	155.640	169.054
Other non-current liabilities	51.548	55.656
NON-CURRENT LIABILITIES	**210.810**	**239.893**
Short-term provisions	8.249	6.997
Bank borrowings and other financial liabilities	40.436	38.568
Other current liabilities	129.283	91.252
CURRENT LIABILITIES	**177.968**	**136.817**
Liabilities held for sale	--	-
TOTAL LIABILITIES	**662.183**	**633.693**

Net financial debt	**171.612**	**181.831**