TUBOS REUNIDOS GROUP

Annual Report 2012

1. Introduction

Business developed very positively for GRUPO TUBOS REUNIDOS
in 2012, in spite of the global slowdown in activity and toughening competition.

External factors that influenced this favourable progress include the increase in oil and gas exploration, petrochemical and power generation projects, as a result of the increased energy demand in growth areas, which offset the lower demand in Europe.

The main seamless steel tube business achieved net turnover of 382.9 million euros, net profit of 25.4 million euros and EBITDA of 59.6 million euros, representing a margin on sales of 15.6%, higher than the 14.6% obtained the previous year.

In the GROUP as a whole, consolidated net turnover amounted to 464.7 million euros and consolidated net profit stood at 10.6 million euros, with EBITDA of 49.6 million euros, therefore lower than the amount contributed by the tubes business above, due mainly to the joint and non-recurrent cost of actions undertaken to reorganise the distribution business in accordance with its new strategic definition.

These results are the fruit of the accuracy and success of the decisions taken in the scope of the 2011-2016 Strategic Plan, which focuses on the following aspects:

– Specialisation and innovation: the range of new special products with high added value and greater profitability has been expanded.

– Commitment to investment: Investments amounting to 35 million euros were made in the seamless steel tube business in 2012, with the main goals of developing new products and markets and of improving the competitiveness of the GROUP.

– Geographical diversification and positioning in fastest growing markets: 87% of seamless tube sales were made outside Spain and 58% outside Europe. On their part, North America accounted for 31% of sales and those destined for emerging regions (North Africa, Asia, Middle East, Latin America) for 26%, all markets with high growth potential in the energy sector, in which TUBOS REUNIDOS carried out 83% of its sales.

– Flexible and competitive business model: along with the policies of maximising quality and service, the GROUP's flexible and competitive business model made it possible to optimise the overall margin by giving priority to the most profitable products, which, together with strict cost control, enabled the improvement of the EBITDA margin, despite the slowdown in activity levels.

In this situation, it is necessary to acknowledge and thank the professionalism and quality work of the people who make up GRUPO TUBOS REUNIDOS, as well as the invaluable participation and collaboration of all related stakeholders that have made the success achieved possible: customers, suppliers, institutions, etc.

With regard to 2013, macroeconomic development will remain subject to uncertainty, especially in Europe, with the risk of contagion to the rest of the world. GRUPO TUBOS REUNIDOS is facing the year confidently, and counting on:

– A clear commitment to differential value for customers.

– A tested business model that generates long-term value.

– A Strategic Plan and an Investment Plan, worth 150 million euros, which enable the Group to take advantage of growth opportunities and further strengthen its competitive position in the world.

These foundations represent a solid platform to increase results as demand and the general macroeconomic situation improve.

The financial structure of the GROUP remains solid, with net financial debt of €179.9M, of which 89% is long-term, thereby reinforcing the position of solvency, which is a permanent aim of the GROUP.

This set of factors has led to GRUPO TUBOS REUNIDOS continuing with its policy of distributing dividends, which resumed in 2011, with the agreement by the Board of Directors to propose payment, at the next Annual General Meeting of Shareholders, in 2013, of a dividend of 0.023 euros gross per share, charged to 2012 profits, representing a total amount of 4.02 million euros.

2. Key consolidated data

Item	2012	2011**	2010**	2009**
Net income*	**464,727**	499,581	377,691	395,692
Net result*	**10,573**	24,435	(14,183)	1,059
Net Cash Flow*	**37,654**	46,044	8,457	22,209
Net Cash Flow / Sales (%)	**8.1**	9.2	2.2	5.6
Total Assets*	**686,951**	693,867	685,741	664,368
Equity*	**232,360**	224,722	202,938	219,474
EBITDA*	**49,574**	62,214	11,486	25,162
EBITDA / Sales (%)	**10.7**	12.5	3.0	6.4
Net result / Assets (ROA) (%)	**1.5**	3.5	(2.1)	0.2
Net result / Equity (ROE) (%)	**4.6**	10.9	(7.0)	0.5
Added value*	**148,817**	154,582	124,348	133,725
Personnel				

Market Value* (31.12)	**1,812**	1,632	1,586	1,604
Book value per share (EUROS)	**313,552**	268,135	319,666	373,817
Price / Book value (TIMES) (31.12)	**1.3**	1.3	1.2	1.3
Profit per share (EUROS)	**1.35**	1.19	1.58	1.70
Average annual listed price (EUROS)	**0.06**	0.14	(0.08)	0.01
	1.72	1.90	2.03	2.16

*FIGURES IN THOUSANDS OF EUROS.

** Financial figures in the income statements for years 2009, 2010 and 2011 have been reformulated by reclassifying the distribution activity from "discontinued operations" and "held for sale" to "continuing operations", to allow them to be correctly compared with the financial data for year 2012.

3. Economic environment

WORSENING OF THE CRISIS IN THE EURO ZONE IS THE MAIN CAUSE OF ECONOMIC WEAKENING AROUND THE WORLD

Financial year 2012 was characterized by a worsening of the global economic situation, which dropped from growing 4% in 2011 to 3.2% , due to the slowdown not only in advanced economies (GDP of 1.2% in 2012, compared to 1.6% in 2011) but also in emerging nations (5.1% compared to 6.4%).

The worsening in the intensity of the crisis in the euro zone, especially in the months of May to July, was the main cause of this worldwide economic weakness, making new interventions by central banks necessary. In this regard, the statements made in July by Mario Draghi, President of the ECB, should be noted, assuring that the highest European monetary authority would do everything necessary to preserve the euro, significantly reducing the risk of rupture in the currency.

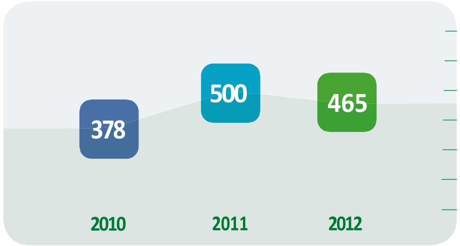
The eurozone entered recession in 2012, with GDP contraction of -0.6% due to the clear spread of the economic downturn from the periphery towards the core of the region, due to the strong fiscal consolidation measures and due to strict restrictions on funding.

On its part, the U.S.A., thanks to the strong support of the Federal Reserve, maintained its process of moderate economic recovery is 2012, with growth of 2.2%, which was slightly higher than the 1.8% of the previous year. In the same way, it is important to point out the apparent recovery in the real estate sector in this country, after a six-year-long crisis, and the competitive advantage of its energy revolution for companies.

As regards emerging nations, the uncertainty in the eurozone was contagious for these countries, causing downward revisions in GDP growth in 2012. Thus, China closed the year with 7.8% growth compared to 9.3% the previous year, India

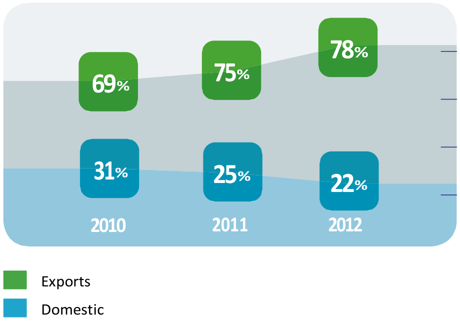
Net income of GRUPO TUBOS REUNIDOS

(In millions of euros)



Sales to domestic and export markets GRUPO TUBOS REUNIDOS

(In % millions of euros)



dropped to 4% from 7.7%, while Brazil fell to 0.9% against 2.7% in 2011.

World oil demand was stable throughout the year (IEA), with production of 89.6 million barrels per day. Oil exploration in the U.S.A. was active, while gas well exploration was lower. Consequently, the average number of active rigs (Baker Hughes), 1,919, was 2% higher in 2012.

Horizontal exploration accounted for 63% of the total, compared to 58% in December 2011. This exploration technology means greater efficiency and higher consumption of seamless tube and special Premium tube, due to the greater depth and length of the wells.

Outside the United States and Canada, the number of rigs has continued to increase, with 1,253 wells, representing growth of 6% over 2011, driven especially by activity in the Middle East and Africa.

In relation to electric power generation, despite the existence of new projects in Eastern Europe, the need for new power generation infrastructure in Europe and the United States remained low.

Energy demand is very significant in Asia, where investments in new infrastructures are necessary, especially in high efficiency and low pollution power plants, which require tubes with increasingly demanding technical specifications.

For its part, petrochemical activity was sustained in 2012, driven by investments in the Middle East, Africa and Asia-Pacific, although slowdowns and delays were seen in projects due to uncertainties and global financial tensions.

Other sectors, outside energy, showed low activity levels in 2012, especially in Europe.

4. Seamless steel tube production

Apparent consumption of seamless tubes in 2012 remained in line with 2011, showing an increase of 1.6% to reach 44.4 million tonnes. The sector was driven by the energy segment.

The geographic areas that presented highest growth were the Middle East with 13.2%, CIS with 9.5%, North America with 6% and China with 5.7%. On their part, the markets that suffered greatest decline were Western Europe with -23.7% and Latin America with -16.7%.

In the OCTG (Oil Country Tubular Goods) segment, global demand rose to about 16 million tonnes in 2012, meaning an increase of 6% over 2011. It should be noted that growth occurred in Premium products, while the number of tons of API (standard) products ordered remained stable. Premium tubular products accounted for around 25% of total OCTG demand. Consumption of OCTG products in 2012 was concentrated, with 50% in America and 28% in China and Russia.

SEAMLESS STEEL TUBE ACTIVITY MAINTAINED ITS MOMENTUM THANKS TO THE ENERGY SECTOR IN NORTH AMERICA AND EMERGING MARKETS

Globally, seamless steel tube production increased in response to the growth expectations in demand for tube to meet the new planned investments in energy infrastructure. In this sense, China registered significant new increases in its production capacity.

On its part, European Union production decreased in 2012, especially in the last quarter, when it decreased by 20.4% compared to the last quarter of 2011, reaching its lowest level since 2009. On the other hand, exports of product from the European Union increased by 6.4% over 2011.

Estimated apparent consumption 2012

(In % of tonnes)

52%	China
12%	North America
9%	CIS
8%	Far East (Without China)
6%	Western Europe
5%	Latin America and South America
4%	Middle East
2%	Africa
1%	Australia and Oceania

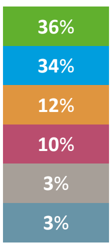
The production and distribution of seamless steel tubes, the GROUP's main activity, resulted in net turnover of 382.9 million euros in 2012, accounting for 82% of GROUP revenue.

83% of tube sales were destined for the energy sector, in line with the GROUP strategic plan, representing an increase compared to 2011, when sales in this sector reached 78%.

4. Seamless steel tube production

The OCTG segment developed positively in 2012, particularly in North America, as a result of the increase in special high value added products, given the progress in the GROUP investment plan, which involved the incorporation of tubes with high alloy steels demanded by unconventional oil and gas exploration technologies.

In relation to the power generation and petrochemical segments, they also evolved positively, with an improvement of the product mix toward more specialty products, with a good tone of activity in areas where the Group has a growing presence, such as the Middle East, Far East, Africa and Oceania, thereby offsetting the lower levels of activity in Europe.

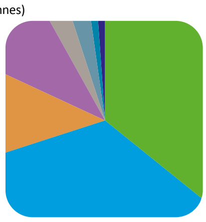


1%

1%

PREMI M
PROD C S IN HE
OC G AND PO ER
GENERA ION
SEGMEN S ARE
HE I EMS HA
E PERIENCED
HIGHES GRO H
IN 2012

Destination of
Tubos Reunidos exports
(In % of tonnes)



Distribution of sales
GRUPO TUBOS REUNIDOS
(In %)

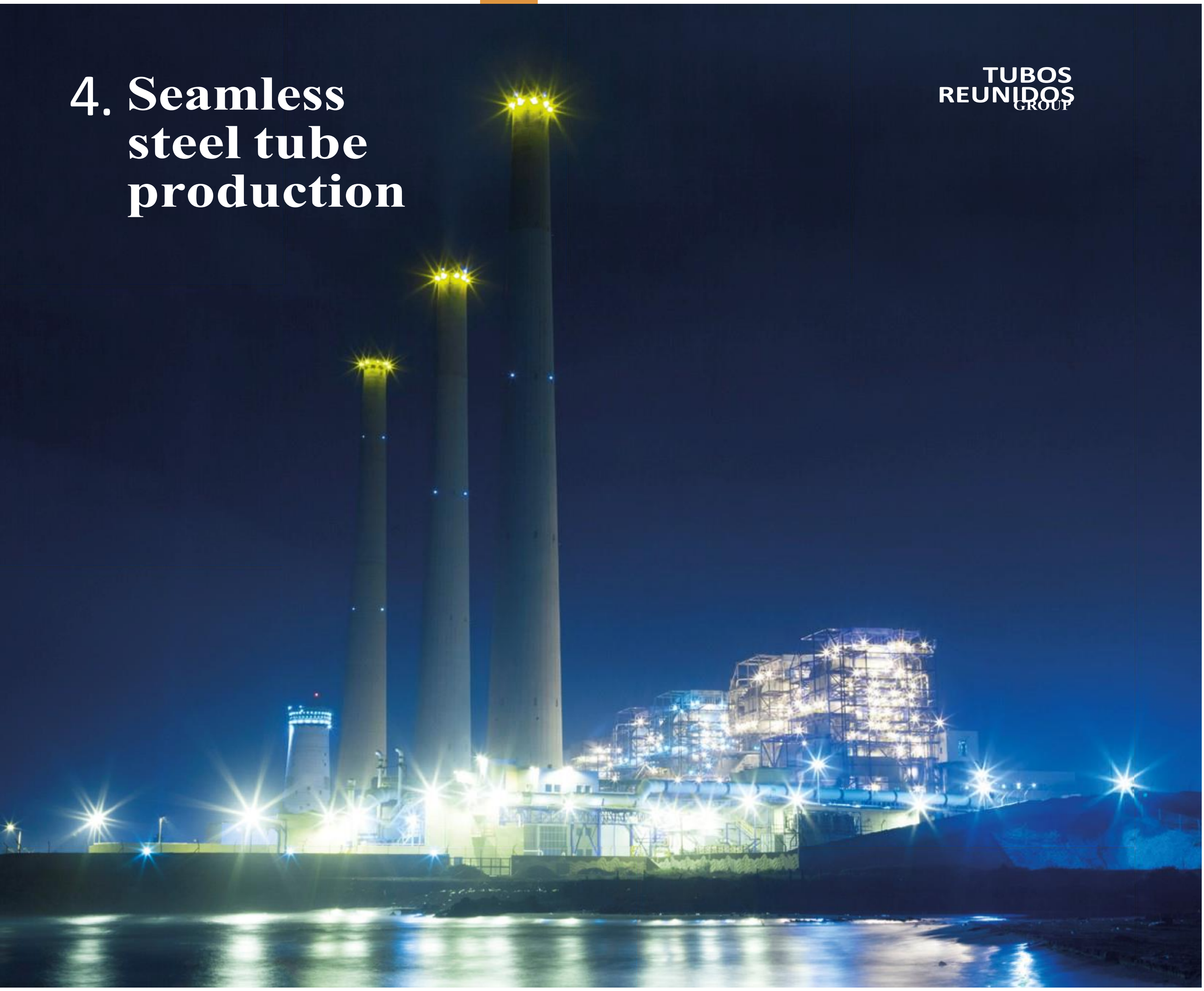
2012

(In %)

2012

North America (USA and 82% Canada)Seamless tubesEnergy sector 83%
European UnionDistributionOthers 9% 17%
Far EastAutomotive 9%

4. Seamless steel tube production



Middle East
Latin America
Africa
Rest of Europe Oceania

Tubos Reunidos Industrial

The overall figures recorded by TUBOS REUNIDOS INDUSTRIAL in 2012 may be described as excellent. This GROUP company, a specialist manufacturer of small and medium diameter seamless steel tube, achieved turnover of 273 million euros, its net profit amounted to 17.8 million euros and self-financing stood at 31.6 million euros.

Meanwhile, EBITDA obtained was 40.6 million euros, equivalent to 14.9% of sales.

The following factors proved decisive in achieving such positive results:

Increased activity in the oil and gas (OCTG) sector, based on slight but continual growth in demand for oil, which brought about an

TUBOS REUNIDOS INDUSTRIAL MADE A NET PROFIT OF 18 MILLION EUROS

increase of investment in exploration and production (E&P).

Permanent adaptation and flexibility to customer requirements and maxims, diversified geographical positioning and permanent commitment to quality and innovation. This commitment is faithfully reflected in the sales figures for special high value added tubes, accounting for a percentage in 2012 which is the second highest in the history of the company and following the parameters set in the 2011-2016 Strategic Plan.

Effective measures implemented by TUBOS REUNIDOS INDUSTRIAL to reorganize processes and adapt its capacity to the market situation and demands, which, together with the cost control measures carried out, enabled profitability ratios comparable to the leading companies in the sector to be achieved.

As regards the financial structure, the self-financing generated and proper management of the working capital allowed a very strong position to be maintained. At yearend closing 2012, working capital stood at 64.6 million euros and net debt at 96.5 million euros, with this figure having increased from the previous year as a result of the order for payment by the Regional Government of Alava (Diputación Foral de Álava), in relation to the sentences issued by the Court of Justice of the European Union in June and July 2011, whereby the return of certain prior years' tax incentives was claimed from the company.

Insofar as markets are concerned, and following the trend of preceding years, exports accounted for 85% of total sales. TUBOS REUNIDOS INDUSTRIAL exported to 56 countries in 2012 and increased its number of customers by 6%. The major destination markets were again the

4. Seamless steel tube production

European Union and North America, with more positive evolution in emerging countries in Asia and Africa.

Key economic data Tubos Reunidos Industrial

(In thousands of euros)

CAPITAL	50,000
NET WORTH	71,932
TOTAL ASSETS	326,422
TURNOVER	273,248
2012 PROFIT	17,815
WORKFORCE 31.12	713

Productos Tubulares

Despite the adverse economic situation and habitual market difficulties, the result of the activity carried out by PRODUCTOS TUBULARES in 2012, the manufacture of large diameter seamless steel tubes, was again very positive.

Turnover reached 115 million euros, 6% more than in 2011, and net profit exceeded 8 million euros, a rise of 13%, with self-financing of almost 15 million euros. On their part, both EBITDA and EBIT remained at high levels, at 14% and 8% of sales, respectively.

Likewise, the financial structure of the company is still excellent, with more than 89 million euros in equity and almost 23 million euros of working capital as at 31 December 2012. With regard to return on equity (ROE) or on total assets (ROA), it is again on a par with industry leaders in the sector.

These excellent results not only certify the resistance of PRODUCTOS TUBULARES to low cycles, but
also its solid foundations of efficiency, profitability and excellent risk management. In this regard, the flexibility of the demand-driven production and the continuous innovation in

products and processes remain two basic pillars of performance.

By products, pride of place again went to large diameter, special alloy and stainless steel tubes, involving greater specialisation and added value.

Regarding the geographical distribution of sales, deliveries to the domestic market again decreased, accounting for only 8.3% of total sales, measured in millions of euros. The European Union and North America, with 41.4% and 31.2% respectively, were again the main export destinations, followed by the Far East, with 14.1%.

PRODUCTOS TUBULARES

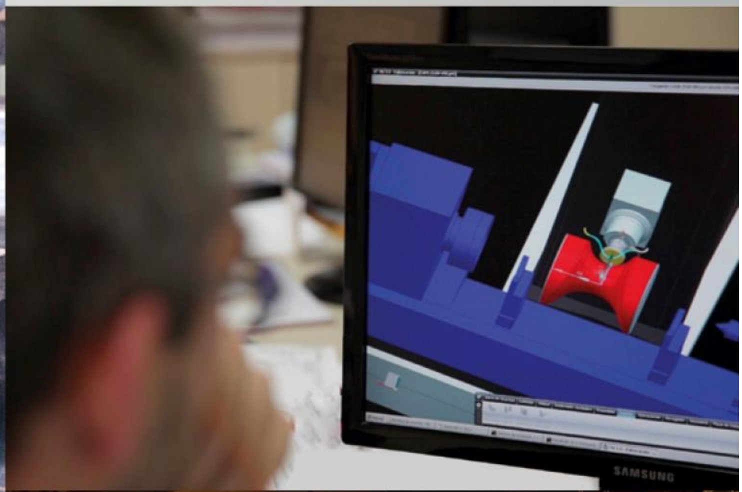
INCREASED ITS

Key economic data Productos Tubulares (In thousands of euros)

CAPITAL	17,000
NET WORTH	88,559
TOTAL ASSETS	167,998

PROFIT AND TURNOVER BY

TURNOVER	115,125
2012 PROFIT	8,301
WORKFORCE 31.12	436



13% AND 6%, RESPECTIVELY

GRUPO ALMESA closes 2012 embarking on a Strategic Plan for the coming years whose basic mission is to redirect its activity to the distribution of exclusively industrial product, so that it acts as a complementary channel for the sale of GRUPO TUBOS REUNIDOS products.

6. Other industrial activities

In the same way, a priority component of this plan is the international expansion of GRUPO ALMESA, taking advantage, in a coordinated and orderly way, of the strength of GRUPO TUBOS REUNIDOS.

Thus, the company is reorganizing its logistics and resources structure, adapting it to the strengthening of its strategic business and getting rid of logistics related to the tertiary sector.

The evolution of the distribution market in Spain was not positive in 2012, and no great revival is expected in 2013. Nevertheless, based on the Strategic Plan mentioned above, GRUPO ALMESA is facing this year as the first on the path to recovery.

GRUPO TUBOS REUNIDOS, in accordance with the guidelines laid out by the 20112016 Strategic Plan, continues committed to strengthening and enhancement its subsidiaries engaged in other industrial activities.

Consequently, INAUXA-EDAI, the subsidiary dedicated to the automotive sector, has continued to go deeper into its internationalisation process that started in 2010, strengthening its production plants in China and Mexico, as well as the engineering that develops projects for both facilities.

As regards the Amurrio production plant, new investments in cutting-edge technologies have strengthened its position

7. Information on financial year 2012

TUBOS REUNIDOS GROUP

as a global supplier to the automotive industry worldwide, supplying leading manufacturers such as Volkswagen, General Motors, Nissan and Fiat.

In a highly demanding and competitive industrial sector, INAUXA-EDAI maintains a leadership position in Europe in the engineering and manufacture of automotive components, suspension links and power train and chassis systems.

7.1. Economic and financial analysis

The core seamless steel tube business of GRUPO TUBOS REUNIDOS achieved net profit of €25.4M and EBITDA of €59.6M in 2012, which represents a sales margin of 15.6%, thereby exceeding the 14.6% of the previous year.

Financial year 2012 had two very different parts. A first part of the year, up to July, in which the rate of activity remained relatively strong and global demand for oil and gas continued to rise, with a slight increase in the sales prices of seamless tube. After summer economic activity decreased, especially in the United States, with demand slowing down and sales prices stabilizing. In this context, GRUPO TUBOS REUNIDOS continued implementing the goals set out in the 2011-2016 Strategic Plan, raising competitiveness and internal efficiency and increasing sales of higher added value tubes, with an improvement in the mix of special tubes, which accounted for 72% of total sales in 2012, compared to 69% in 2011.

In a context of slowdown of global activity and toughening competition, these positive results of the GROUP core business were possible thanks to the strong international presence, to the good performance of the energy sector in general and the continuing improvement in the special products quota.

At year-end closing 2012, the Board of Directors of GRUPO TUBOS REUNIDOS took the decision to terminate the distribution business sale process, which had started in late 2010 and which the market environment had prevented from culminating, in order to redirect this business exclusively to the industrial segment, thus becoming an integral part of the commercial structure of the GROUP and its core business.

Consequently, the assets, liabilities and results of the distribution business were reclassified in the income statements for 2012 from “held for sale” and “discontinued operations” to continuing assets, liabilities and operations, within the consolidated GROUP.

The single recurrent cost of the reorganisation mentioned has been posted in its entirety in 2012, enabling GRUPO TUBOS REUNIDOS to obtain net profit of 10.6 million euros and EBITDA

THE STRENGTH OF GRUPO TUBOS REUNIDOS AGAIN LIES IN ITS SPECIALISATION, INTERNATIONAL PRESENCE AND COMMITMENT TO THE ENERGY SECTOR

of 49.6 million euros, with consolidated sales of 464.7 million euros in 2012, after the reorganisation of the distribution business.

In accordance with IFRS 5, the said distribution segment was reclassified in the annual accounts for financial year 2011 as continuing operations, in order to allow correct comparability with financial year 2012.

Total assets amounted to 686,9 million euros in a financial year in which the GROUP invested in tangible fixed assets for the amount of 41 million euros, reduced investment in working capital, inventory and customers/debtors by 8%, equivalent to 20 million euros, while maintaining similar levels for suppliers and other accounts payable. Working capital as at 31 December 2012 in continuing operations is 64.1 million euros, compared to 77.9 million euros in continuing and discontinued operations in 2011.

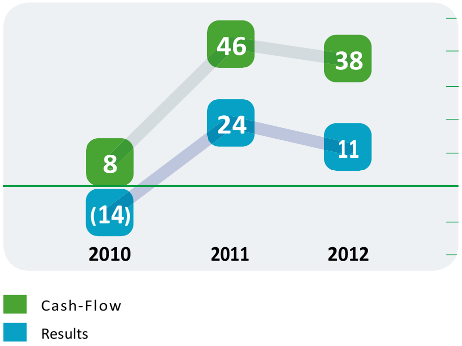
The total banking debt amounts to 231.2 million euros, of which 69%, i.e. 160.2 million euros, is long-term debt. Of these, 62% have maturity of more than 2 years. Liquidity, meanwhile, equivalent to cash in hand and other current financial assets, stood at 51.3 million euros as at 31 December 2012. All this entails a net financial debt of 179.9 million euros.

GRUPO TUBOS REUNIDOS maintains a strong balance sheet structure, with net equity of 243.6 million euros and permanent capital of 479.6 million euros, representing 69.6% of total liabilities and 7.5% higher than in 2011. All of this represents a solid financing structure that ensures fulfilment of the GROUP strategic and investment plan.

Progress of Cash-Flow and profits of the

GRUPO TUBOS REUNIDOS

(in millions of euros)



7.2. Investments, Technological Development and Innovation

GRUPO TUBOS REUNIDOS made investments for the amount of 41 million euros in 2012, aimed at achieving greater competitiveness and profitability, showing its clear and convincing commitment to innovation and specialisation, both in processes and products. In the same way, significant improvements were again made in other key areas such as environment, safety and prevention.

7. Information on financial year 2012

The following actions at the TUBOS REUNIDOS INDUSTRIAL plant in Amurrio stand out:

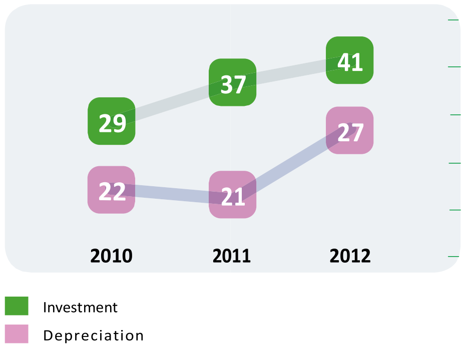
Investments in developing a new vacuum degassing facility, in order to improve the quality of steel manufactured at the steelworks, allowing the manufacture of higher alloy products and steels with demanding high purity and low gas requirements.

New tube finishing facility in one of the lines at the plant, which has been completed with an ultrasound unit (UTS), making the most modern non-destructive testing line available to meet customer quality requirements.

Improvements in the hot rolling unit, in order to supply tube lengths (up to 25 metres), intended for the heat recovery circuits (HRSG) of combined cycle power stations.

Investments made by

(in millions of euros)



GRUPO TUBOS REUNIDOS

On its part, the following actions were undertaken at the PRODUCTOS TUBULARES plant in Galindo:

Adaptation of one of the two rolling mills to manufacture stainless and high alloy steel tubes up to 28 "outer diameter and, in addition, enable production of longer tubes than the current ones for the entire range of diameters and thicknesses made, through the use of bigger, heavier ingots.

Improvements in the design and manufacture of tooling, aimed at reducing costs.

Various actions to abate noise and improve the visual impact of the facilities.

In the same vein, we also have to highlight investments at the ACECSA plant in Pamplona, dedicated to the manufacture of cold drawn small diameter special products. Thanks to them, the facilities manufacture tubes in special lengths up to 27 metres, after having resolved the difficulties, at all levels, that manufacturing these products entails.

Similarly, R&D activities were once more oriented to improving processes and to designing new methods of manufacturing tubes that enable the range of qualities and dimensions to be expanded. To achieve this goal, GRUPO TUBOS REUNIDOS counted on the invaluable cooperation of benchmark laboratories, technology centres and universities, as well as the support of various agencies like the CDTI, belonging to the Ministry of Industry, and GAITEK, dependent on the Basque Government.

7. Information on financial year 2012

7.3. Social aspects

GRUPO TUBOS REUNIDOS considers human resources management as a basic factor in achieving its sustained business success. A permanent objective, therefore, is to achieve suitably sized structures composed of professionally satisfied people who are committed to the development of the strategic guidelines designed.

Thus, one of these strategic guidelines adopted is none other than taking a significant technological leap in our facilities and processes, by introducing state-of-the-art equipment. And logically, this requires a substantial training effort to update and adapt the knowledge and skills of all those involved in its installation, maintenance and operating performance.

In the same way, the incorporation of these new means of production requires adaptations in facilities and, consequently, in occupational hazard prevention measures in order to guarantee the safety of all users, an issue considered an absolute priority and of inexcusable compliance. In addition to the important annual investments made, this priority criterion is also backed by regulatory audits and OHSAS 18001 certification, once again successfully renewed.

Another significant event during the year was the signing of the Collective Agreement in TUBOS REUNIDOS INDUSTRIAL for the 2012-2016 period, which doubtlessly provides stability to enable GRUPO TUBOS REUNIDOS to implement its Strategic Plan. Along the same lines, the start of a process of Knowledge Management that is expected to last several years is worth mentioning, as it will be an ideal complement to the major effort of workforce rejuvenation that is taking place.

Finally, and very specially, we have to thank and recognise the effort and dedication of each and every one of the people who make up GRUPO TUBOS REUNIDOS. Their collaboration has once again been essential in achieving the goals accomplished and will continue to be in order to reach new aims and objectives.

8. Shareholders REUNIDOSTUBOSGROUP and the Stock Market

Key data

The share capital of TUBOS REUNIDOS, as of 31 December 2012, is 17,468,088.80 euros, represented by 174,680,888 shares with a face value of 0.1 euros each.

These shares are officially listed on the Bilbao and Madrid stock exchanges. Since 1 July 2005 they have been listed on the continuous market of the stock market interconnection system (SIBE) of the Madrid Stock Exchange.

Since 2 January 2009, TUBOS REUNIDOS has belonged to the Ibex Medium Cap index, made up of the 20 securities with the highest adjusted working capital, excluding the Ibex 35 listed companies.

Stock market evolution

Market evolution has been again bearish in 2012, as a result of the macroeconomic situation, uncertainties and economic tensions, especially in the eurozone.

Aversion to Spanish risk by international investors remained high, leading to limited trading volumes.

The positive progress recorded by TUBOS REUNIDOS shares is remarkable, with a listing price that rose by 16.94% in 2012, showing significantly better performance than main comparable companies in the sector and than the Spanish stock market (see chart below). This was a result of the positive operational development of the company, as well as of the confidence of investors and analysts in its fundamentals.

	16.94%
TUBOS REUNIDOS	0.01%
COMPARABLE EUROPEAN COMPANIES	14.95%
MID CAP	-4.66%
IBEX 35	

A summary of listing prices is as follows:

Prices	Euros per Share	Date
Minimum	1.445	24 - JULY
Maximum	2.06	3 - APRIL
Last	1.795	31 - DEC
Average	1.7171	

Concerning liquidity, the frequency for trading of quoted shares was 100% throughout the year (257 days). Trading volumes were restricted in 2012 by high risk aversion in the Spanish stock market by international investors.

SHARES TRADED (THOUSANDS)

2012	Securities	Cash
1st Quarter		13,239
2nd Quarter	5,696	9,779
3rd Quarter	5,115	8,395
4th Quarter	3,461	6,233
Total	22,011 7,739	37,646

SHARES TRADED (THOUSANDS)

2011	Securities	Cash
1st Quarter	16,924	33,552
2nd Quarter	14,602	32,975
3rd Quarter	6,796	12,343
4th Quarter		8,733
Total	43,695 5,373	87,603

Treasury stock

TUBOS REUNIDOS has signed a liquidity contract, as the CNMV was informed by means of a Significant Event on 21 July 2008, which came into force on 8 September 2008, and which fully complies with the stipulations of Circular 3/2007, of 19 December.

The balance of the treasury stock (bought-back shares), which is intended entirely to serve the liquidity contract, as of 31 December 2012 was 2,408,950 shares, representing 1.37% of the Company's share capital.

Evolution of trading

(in millions of euros)

TUBOS REUNIDOS
IBEX 35

Shareholder remuneration

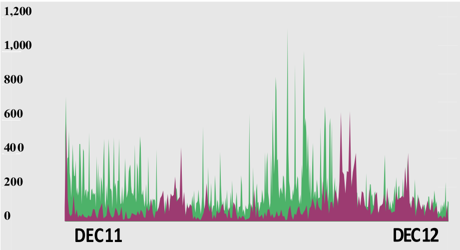
As approved by the Board of Directors, GRUPO TUBOS REUNIDOS has agreed to propose a dividend of €0.023 gross per share, charged to the profit of financial year 2012, representing a total amount of €4.02M, at the next General Meeting of Shareholders.

Relations with shareholders and investors

The shareholder and investor relations section has attended several meetings with over 100 institutional investors at the leading domestic and international financial centres and has also answered requests for information or assistance from minority shareholders through the shareholders' office. The aim of all this is to maintain the commitment of the GROUP to provide the greatest transparency in its relationships with the different players in the financial markets.

Evolution of trading

(in thousands of shares)



Volume 2012
Volume 2011

*** Financial figures in the income statements for years 2009, 2010 and 2011 have been reformulated by reclassifying the distribution activity from "discontinued operations" and "held for sale" to "continuing operations", to allow them to be correctly compared with the financial data for year 2012.**