



INDUSTRY UPDATE

TUBACEX increases market share to withstand crisis

TUBACEX has recently declared that it is increasing its market share in high value-added Premium products, and is significantly improving operationally in a market that continues to be extremely unfavorable. Its sales in the first nine months of the year have increased to EUR 366.2M, which represents 11.7% less than in the same period in 2015, in an environment of global crisis that is affecting the oil sector in particular. The gross operating result (EBITDA) is EUR 30.4M, down 27.2%. However, the EBITDA for the third quarter has grown by 29.6%, standing at EUR 10.5M, which is the third consecutive quarter of increased margin and a return to double digits following four quarters below this figure. Only the EBITDA of the third quarter stands at 10.1%, the highest for the past year.

According to Jesús Esmoris, CEO of TUBACEX, "we are working in three key areas: product improvement, operational improvement and management excellence, and in cost adjustment to the new level of sales, considering that they are 30% below the market prior to the crisis. We are accelerating our strategic investments because we believe in the future growth potential of our results". The Group's forecasts for the last quarter of the year are similar to those of the third quarter, "characterized by a better invoiced mix thanks to the Premium orders obtained but with a small volume and price pressure in the rest of the products", according to Esmoris. "Our objective is still to close the year with a positive cash flow", he concluded.

Petrol Raccord receives OHSAS 18001:2007 certification



Petrol Raccord is proud to announce the addition of OHSAS 18001:2007 to its collection of certifications and qualifications. Following a visit to the company's manufacturing plant in Calendasco (Piacenza), it was awarded the OHSAS

recognition by Lloyd's Register Quality Assurance for its continued sound occupational health and safety performance. With the manufacturing of butt weld fittings up to 56" using mostly the hot forming method at the plant, health and safety is of the utmost importance.

Raccortubi Group's other manufacturing facility, Tecniinox, also holds the OHSAS 18001:2007 certification.

The OHSAS award reiterates Raccortubi Group's commitment to workers in the implementation of a risk control and prevention system of the highest standard.

Raccortubi Group companies benefit not only from OHSAS 18001:2007 certifications, but also from those of ISO 9001:2008, PED, ASME III NCA-3800 and NORSOK M-650 Ed. 4, as well as many international end-user approvals, demonstrating its commitment to the highest standards.

Sandvik inaugurates fully automated OCTG facility



Sandvik has recently inaugurated a new, state-of-the-art, fully automated ultrasonic testing facility for pipes to the oil and gas industry. Sandvik took the decision to invest in the new facility as the energy sector, including oil and gas, is a key focus in the company's strategic direction. Ultrasonic testing was the limiting factor in achieving maximum output with the existing facility. To solve this, Sandvik has invested not only in capacity but also state-of-the-art technology to meet the industry's toughest requirements for defect detection.

"Seeing this major investment come on-line is a substantial achievement for all involved, and a key milestone in Sandvik's enhanced strategic focus on demanding applications within the oil and gas industry, such as OCTG (Oil Country Tubular Goods)," said Per Olsson Artberger, Sandvik Global Product Manager for OCTG. "The new facility allows us to meet and exceed all customer requirements and puts Sandvik in a world leading position as a manufacturer of OCTG," "It also builds on the strategic alliance between Sandvik and Tenaris on the exclusive joint supply of corrosion resistant alloy OCTG materials and technology to the oil and gas industry." Work commenced on the project in August last year, with commissioning and site acceptance testing taking place prior to the test facility's inauguration.