

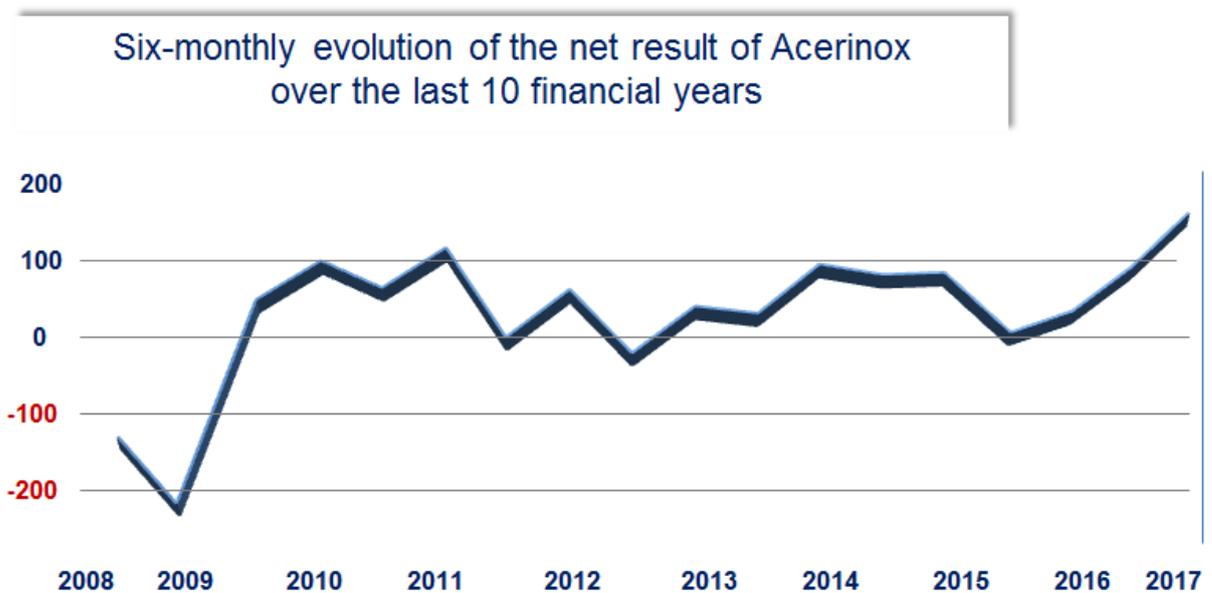


Acerinox ends the first half of 2017 with a net profit of 151 million euros

This is the best half-yearly balance in the last decade and far exceeds the balance for the first half of 2016 (9 million euros) and that of the whole of 2016 (80 million euros).

The EBITDA generated during this period amounted to 317 million euros, a 165% improvement on that obtained during the first half of last year, of 79 million euros.

Turnover, amounting to 2,444 million euros, showed a 28% improvement compared to that recorded between January and June 2016, owing to the general price increase in all markets with respect to last year: 29% in Europe, 37% in the EU and 25% in Asia, according to Platts.



During the second quarter, the balance amounted to 53 million euros. The EBITDA for this period stood at 126 million euros and is 60% higher than that of the second quarter of 2016.

This growth is linked to the good performance of the main markets and to the increase in activity in the sectors of consumption of stainless steel, and has been enhanced by the rise in raw material prices.



Press Release

During this half-year, Acerinox has made investments amounting to 80 million euros, fundamentally in the factories of NAS (USA) and Acerinox Europa (Spain), in order to boost efficiency and competitiveness.

The company is optimistic with regard to market developments. Bernardo Velázquez, Acerinox CEO, asserts that "the stabilisation of alloy surcharges, together with the strength of demand and a decline in inventories, allows us to expect a reactivation which could give rise to further increases in prices once the summer period is over".

- **The new NAS line has started production**

The BA-finish bright annealing line and the cold-rolling mill installed in North American Stainless (following an investment of 116 million euros) have started up satisfactorily this second quarter and it is hoped that its productivity will reach appropriate levels in the second half of the year.

The new equipment is producing steel with a glossy finish of excellent quality that is in great demand by local clients. The increase in household appliance production in Mexico and the USA, by 6% as of June, predicts good returns on this investment.



New equipment in the factory of North American Stainless (NAS, Kentucky), whose production began during the last quarter.

The construction of the new annealing and pickling lines and a cold-rolling mill at Acerinox Europa (Campo de Gibraltar, Cadiz), with an investment totalling 140 million euros, is now at an advanced stage and their start-up is envisaged at the start of 2018.



Press Release

- The Excellence Plan V has achieved 38% of its objectives in six months

The Excellence Plan V, approved by the Board of Directors in December and scheduled for implementation in 2017 and 2018, has achieved 38% of its objectives during the first half of the year, valued at 19 million euros.

This new plan envisages a recurrent savings target of 50 million euros, incorporating new features in several areas, such as operations, working capital, personnel, sales and the supply chain.

The implementation of the four previous Excellence Plans is valued in accordance with the following breakdown:

- **Excellence Plan I** (2009-2010): 97 million euros
- **Excellence Plan II** (2011-2012): 53 million euros
- **Excellence Plan III** (2013-2014): 53 million euros
- **Excellence Plan IV** (2015-2016): 50 million euros

- **New Investments**

Yesterday, the Board of Directors approved new investments amounting to 23 million euros in a coil build-up line for North American Stainless, which will improve productivity in their facilities, and in the remodelling of the AP3 annealing and pickling line of the factory in Campo de Gibraltar, to provide it with the latest technological equipment.