

PRESS RELEASE

Acerinox closes the first quarter of 2016 with negative earnings of eight million

- Revenue fell by 16.7% with respect to the same period of the previous year, due to the fall in the price of nickel, while EBITDA stands at 41 million.
- Demand and the portfolio of orders have improved and the price of the final product has begun to rise.
- The improvement of these factors has already been noted on the positive March balance sheet, and earnings are expected to recover in the second quarter.

Acerinox closed the first quarter of the 2016 financial year with negative earnings totalling EUR eight million as a consequence of the difficult market situation, and the continued fall in nickel prices.

The EBITDA generated in the year's first three months stands at EUR 41 million, after having made stock adjustments worth 9 million, while revenue totalled 953 million, 16.7% less than the same period last year.

These results, not at all unexpected, reflected the continued drop in raw material prices, high stock levels across the wholesale sector and the import of Asian steel.

Nevertheless, the various market corrections taken of late finally seem to have stabilised. Furthermore, real demand remains healthy, and the tight inventories and nickel prices may have bottomed out in February. Consumption is expected to grow in 2016 by 3% in Europe, 2.2% in the United States, 4% in China and 4.9% in the rest of Asia according to the International Stainless Steel Forum (ISSF). In addition, the order portfolio of Acerinox has improved and is now at an acceptable level.



Madrid, 28 April 2016

Base prices in the US, which fell sharply in 2015, are recovering, and two price increases occurred during the first quarter.

Due to all these factors, despite the persistently complicated market situation, there will be better earnings in the second quarter, which have already been seen in the month of March, which closed with a positive balance sheet.

NAS Prices to Rise Starting 1 May

North American Stainless announced a new price increase on 15 April, which will involve an increase of \$80 per tonne on average, and we trust that it will be well accepted in the market.

This increase will take effect for orders to be delivered starting on 1 May.

The Board of Directors will propose a dividend of EUR 0.45 per share using the Scrip Dividend formula, at the Annual General Meeting of Shareholders

The Board of Directors has approved the idea of proposing a dividend of EUR 0.45 per share using the scrip dividend formula at the General Shareholders' Meeting, which will be held on Thursday 9 June. In this way, shareholders can choose between a cash payment or new shares.

At that meeting, there will be a report on the measures taken to adapt the corporate governance of the company to the requirements of the new Code of Good Corporate Governance for Spanish Listed Companies, which will result in compliance with almost all of them.

Moreover, the procedure for the re-election of two members of the Board of Directors will take place: Mr. Oscar Fanjul Martín as proprietary director representing Feynman Capital S.L., and Mr. Braulio Medel Cámara as an independent director.

The Board of Directors will also propose to the Shareholders the replacement of Mr. José Ramón Guerediaga, whose stay in office has statutorily expired, by Mrs. Laura Abasolo García de Baquedano, as a new independent director.

Additionally, the board of directors will submitted to the General Shareholder Meeting approvement the proposal for renewal *KPMG Auditores S.L* as auditors of the Corporation and its Consolidated Group during 2016.



Madrid, 28 April 2016

NAS Receives the Prestigious CiCi Award, the National US Award, along with Companies like Ford and General Motors

Kentucky Governor Matt Beven recently congratulated North American Stainless (NAS), Ford and General Motors for having been honoured with their respective CiCi (Corporate Investment & Community Impact) Awards, which are granted by the Trade & Industry Development Journal on a nationwide basis in the United States.

This was the eleventh edition of the CiCi Awards, which recognise some of the most important economic development projects carried out in the previous year.

In the case of North American Stainless (NAS), the American subsidiary of Acerinox, CiCi awarded the company for the continuous investment programmes it has carried out since 1990, and its latest approved project consisting of the EUR 116 million investment it announced in March 2015 for building a bright annealed steel line and a cold roller in order to increase production capacity and expand the end-product line from its factory. The NAS factory is an industry leader and one of the most efficient stainless steel manufacturing plants in the world.