

# INVESTORS AND CAPITAL MARKETS DAY

October 15-16, 2015





**NAS:  
The Benchmark Stainless Steel Player**

**MARY JEAN RILEY**  
NAS Vice President, Finance and Administration

## DISCLAIMER

This document may contain forward-looking information and statements about ACERINOX, S.A., its subsidiaries and/or its management.

These forward-looking statements include financial projections and estimates and their underlying assumptions, and statements regarding the intent, belief or current expectations or forecasts of ACERINOX, S.A. and/or its management, as well as statements regarding future performance, plans, objectives, operations, business, strategy, capital expenditures, results of operations, markets and products. These forward-looking statements or forecasts may also include assumptions regarding future economic and other conditions, such as future nickel or chrome prices and, in general, are subject to risks, uncertainties and variables beyond ACERINOX's control that can adversely affect them.

These forward-looking statements and information do not constitute historical facts and can generally be identified by the use of terms such as "expects", "anticipates", "believes", "plans", "estimates" and similar expressions. ACERINOX, S.A. believes they all are reasonable but are not a guarantee of future performance, prices, results of operations, benefits or dividend payout policies. ACERINOX, S.A. future financial condition, financial ratios, business, results of operations and dividends could differ materially from those expressed or implied in or projected by such forward-looking statements, information and forecasts.

All forward-looking statements included herein are based on information available on the date hereof. Except as required by applicable law, ACERINOX, S.A. does not undertake any obligation to publicly update or revise any forward-looking statements and information, even in the event of new information being published or new events occurring.

Investors, holders of ACERINOX, S.A. securities and shareholders in ACERINOX, S.A. are cautioned not to place undue reliance on the forward-looking statements and information, which speak only as of the date they were made. All subsequent oral or written forward-looking statements or information attributable to ACERINOX, S.A. or any of its members, directors, officers, employees or any persons acting on its behalf are expressly qualified in their entirety by this cautionary statement.

No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained herein. None of the Company or any of its affiliates, advisors or representatives shall have any liability whatsoever for any loss arising from any use of this document, or its contents, or otherwise arising in connection with this document. Moreover, this document nor any part of it constitutes a contract, nor may it be used for incorporation into or interpretation of any contract or other type or agreement.

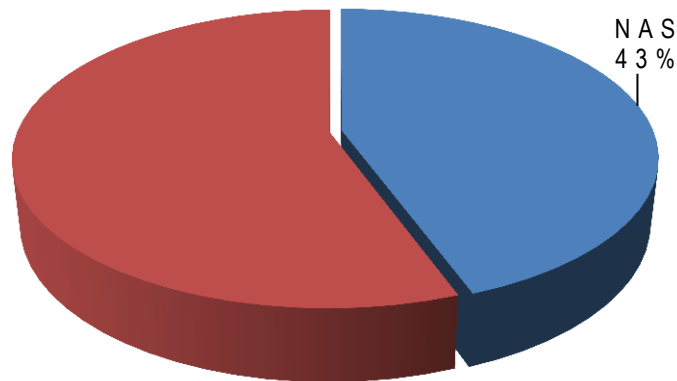
The points contained in this disclaimer must be taken fully into account by all persons or entities obliged to take decisions or to draw up or to publish opinions on securities issued by ACERINOX, S.A., in particular, by the analysts and investors reading this document. All the aforesaid persons are invited to consult the public documentation and information that ACERINOX, S.A. reports to or files with the bodies responsible for supervising the main securities market and, in particular, with the Spanish National Securities Market Commission (CNMV in its Spanish initials).

# NORTH AMERICAN STAINLESS (NAS)

North American Stainless was founded in 1990 and holds a position of leadership in the North American Stainless Steel Market. Our focus is only Stainless Steel and as such we are the experts in our industry.

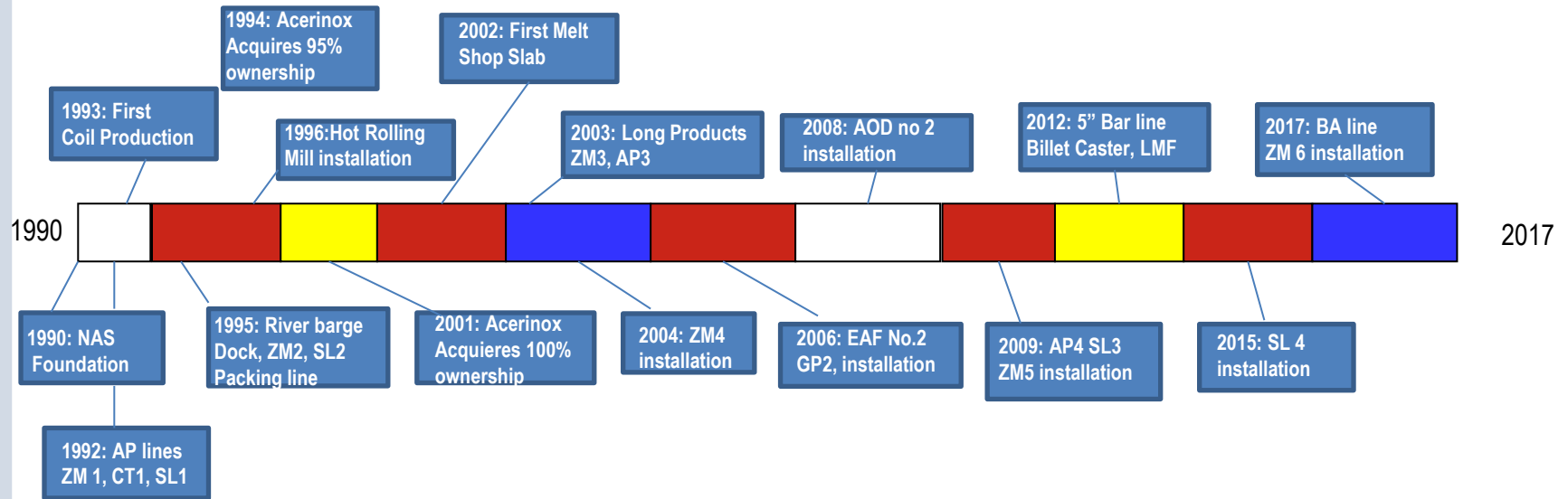
We achieved and maintain this leadership position due to a number of advantages that we have over our competition, domestic and foreign.

## U.S. Melt Shop Production



Source: American Iron and Steel Institute (AISI), as of June 30, 2015

# HISTORY TIME LINE



We have undergone multiple phases of expansion to become the largest fully integrated Stainless Steel Producer in the United States

# OUR LOCATION

Our plant sits on 1400 acres in Carroll County Kentucky.

Being a greenfield project, we have been able to plan the plant layout in order to maximize efficiencies in the production process.



# OUR LOCATION

- **Central Location:**

Our location in Northern Kentucky, with access by road, rail and river transportation was chosen in order to have quick access to the majority of our customers



From our location in Ghent, Kentucky we are within one day of 60% of the stainless consumption areas

# OUR LOCATION

- **Barge Dock on the Ohio River:**

We can receive Raw Materials and transport Finished Products by road, rail, and water with our location on the Ohio River





# OUR LOCATION

- **One Site Location:**

NAS is the only Stainless producing mill in North America to have all the production facilities required to produce stainless situated in one location.



# OUR LOCATION

- **One Site Location:** As a fully integrated Mill we have several advantages
  - ✓ No logistical problems from product movement between sites
  - ✓ Lower cost of production with all processing in one location
  - ✓ More efficient production planning resulting in better lead times
  - ✓ Lower cost of Working Capital, less inventory being required
  - ✓ No outsourcing of Hot Rolling, Polishing or Slitting, NAS has all these processes in house
  - ✓ Exclusive manufacturing of Stainless Steel Products with no conflicts with production scheduling or processing other alloys.

# OUR LOCATION

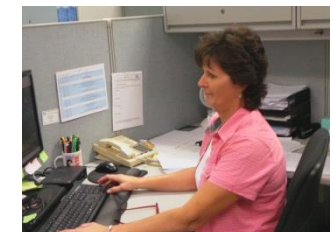
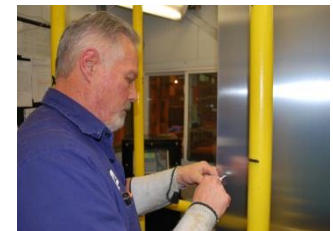
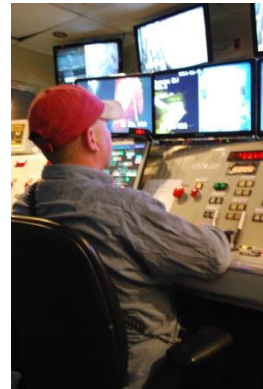
- **One Site Location:**

- ✓ Production of both Flat and Long Products in one location
- ✓ Capability to Cast both slabs and billets in our Melt Shop reduces the cost of production of these products



# UNION FREE AND EXPERIENCED WORK FORCE

- ✓ More efficient operations
- ✓ Flexibility in where employees work
- ✓ Cross training among numerous production lines
- ✓ Experienced Dedicated Employees (We just celebrated 25 years in operation)



# WAREHOUSE NETWORK

NAS has developed Warehouses around the country , as well as in Canada and Mexico

- ✓ Material closer to customers
- ✓ Improved on time delivery
- ✓ Allows customers to improve their Working Capital by having material close to their facilities
- ✓ Finishing Capabilities in most locations



Minooka, Illinois



Agua Mansa, California



Guelph, Ontario (Canada)



Pendergrass, Georgia



Wrightsville, Pennsylvania



Monterey, Mexico



# PROXIMITY TO STAINLESS STEEL SCRAP SUPPLIERS



# RAW MATERIALS

- ✓ Most of NAS Ni and Cr Consumption is in the form of Scrap
- ✓ NAS has the ability to use a very high scrap percentage; discounted Nickel and Chrome units in scrap vs primary Nickel and Chrome units
- ✓ NAS uses and melts raw materials at a high rate which is more cost effective than Ferro-alloys or pure metals
- ✓ Short delivery time on raw materials due to NAS geographical location
- ✓ Due to NAS proximity to the stainless steel scrap markets and the fact that we have to purchase low amounts of Ni and Cr allows us high flexibility to adjust to the continuous stainless steel grade mix changes in the market



# PRODUCT RANGE

We have one of the largest product range of all of the North American Stainless Steel producers. We are the only producer that melts both flat and long products thus we are able to offer to the market a one stop shop option for most of the stainless products that our customers need.

In products such as Angles, we are the only North American producer while in other products such as rebar we have over 95% of total production.

We hold a dominant position in products made in austenitic grades (grades with Nickel content) and have a growing presence in both ferritic grades and duplex grades.





# STAINLESS STEEL APPLICATIONS



# SUSTAINABILITY

- ❑ Master Level Member of Kentucky Excellence in Environmental Leadership
  - ✓ Requires annual environmental audit
  - ✓ Five projects promoting environmental stewardship
  - ✓ Establishment and compliance with environmental management plan
  
- ❑ Recycle & Reuse
  - ✓ Use of slag byproduct as lime
  - ✓ Use of refractory brick as dolomitic lime
  - ✓ Use of laundering program for PPE, rags and oil absorbent pads and rugs
  - ✓ Use of rewind paper at polish and pickling lines
  - ✓ Extensive Recycling Program of:
    - Cardboard
    - Paper
    - Metal
    - Plastic
    - Used Oil



# DOMESTIC PRODUCER

NAS has an advantage over imports in numerous infrastructure projects in the U.S. which require stainless steel to be of U.S. origin.

As the main U.S. Producer of Stainless Steel Reinforcement Bar (Rebar) we are taking full advantage of U.S. origin requirements in order to participate in a number of construction projects



# NORTH AMERICAN STAINLESS (NAS)

We are part of the ACERINOX Group of companies. By being part of the larger group we benefit from economies of scale at time of purchasing our raw materials. This also enables us to offer products to the market that at present are not part of our product range, such as BA Products, which we currently import from Acerinox and sell in the U.S.



# EXPANSION OF PRODUCT LINE: BA

## Bright Annealed Finish

In order to expand our product line offering, we are currently building a Bright Annealed (BA) production line with scheduled completion late next Year. This line will enable us to offer to the market the bright finish, consumed mainly in the appliance, transportation, construction and Food Handling Industries.

The total investment on the line and accompanying cold rolling mill will be 127 million dollars. With an expected output of 80,000 Tns annually NAS will become the leading supplier in the U.S.



# NAS: THE BENCHMARK STAINLESS STEEL PLAYER

- ✓ Full Integration – Flat and Long Products
- ✓ Central Location– Advantages for both Customers and Raw Materials
- ✓ Maximum Efficiency in Production
- ✓ Low Production Costs
- ✓ Efficient Working Capital
- ✓ No need for Outsourcing
- ✓ Union Free Work Force
- ✓ Experienced Work Force
- ✓ North American Warehouse Network
- ✓ Acerinox Global Network

# INVESTORS AND CAPITAL MARKETS DAY

October 15-16, 2015

