

2016 BUSINESS YEAR RESULTS

The logo for ACERINOX, featuring the company name in a bold, blue, sans-serif font centered within a thick blue circular ring.

ACERINOX

Madrid, 1 March 2017

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2016: MAIN FINANCIAL FIGURES



Million EUR

| | 2016 | 2015 | Variation |
|-------------------------------------|-------|-------|-----------|
| Net Sales | 3,968 | 4,221 | -6% |
| EBITDA | 329 | 286 | 15% |
| EBIT | 157 | 121 | 30% |
| Results before Taxes and Minorities | 128 | 77 | 66% |
| Results after Taxes and Minorities | 80 | 43 | 87% |
| Net Financial Debt | 620 | 711 | -13% |
| Net Financial Debt / EBITDA | 1.88 | 2.48 | -24% |
| Net Financial Debt / Equity | 29% | 35% | -19% |

Production record in cold rolling

China returns to growth

Floor of nickel prices

Apparent consumption increases

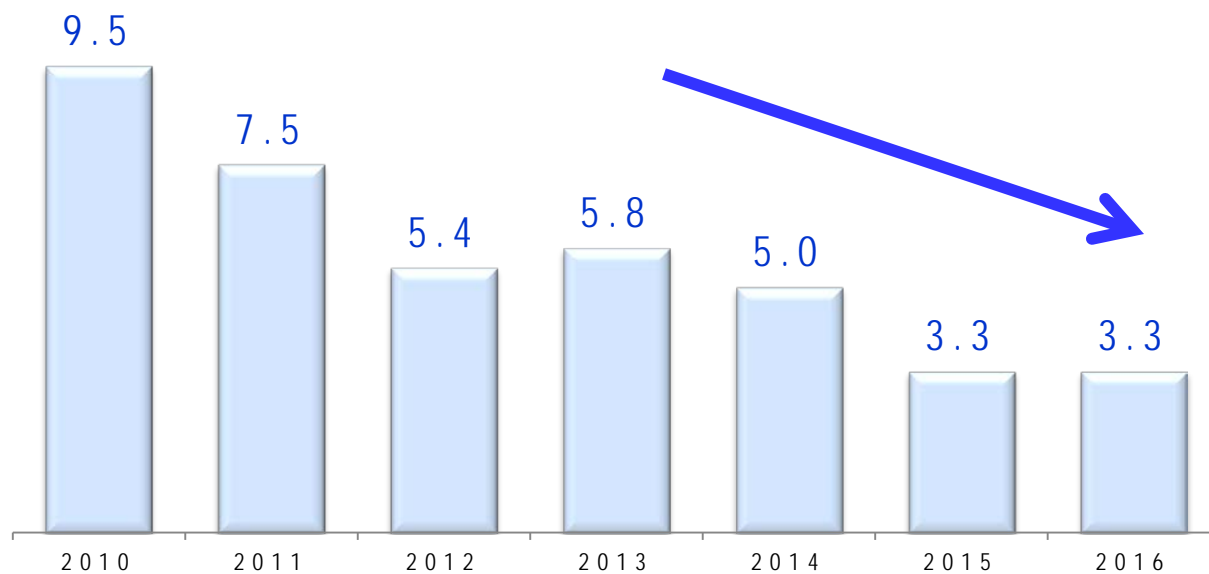
2nd best year in melting & hot rolling production

Antidumping measures

Inventories at normalized levels

Base price improvement in Europe and the United States

Target: zero accidents

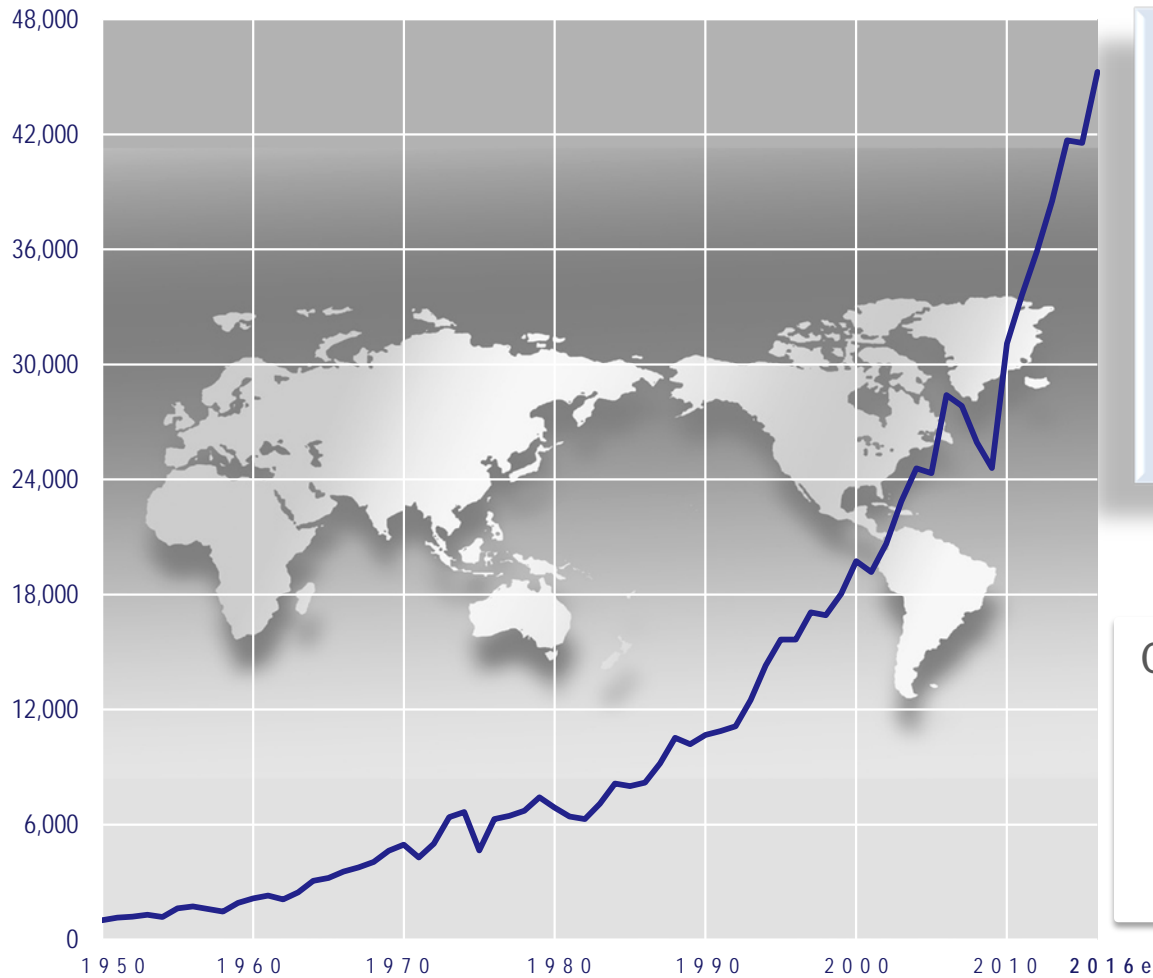


• *Accident rate = total no. injuries and illnesses * 200,000 / no. worked hours*

STAINLESS STEEL WORLDWIDE PRODUCTION



Thousands Mt



Estimated world production of Stainless Steel in 2016:

45.3 million Mt

(+8.9% over 2015)

Compound annual growth rate 1950 - 2016e:

+ 5.9%

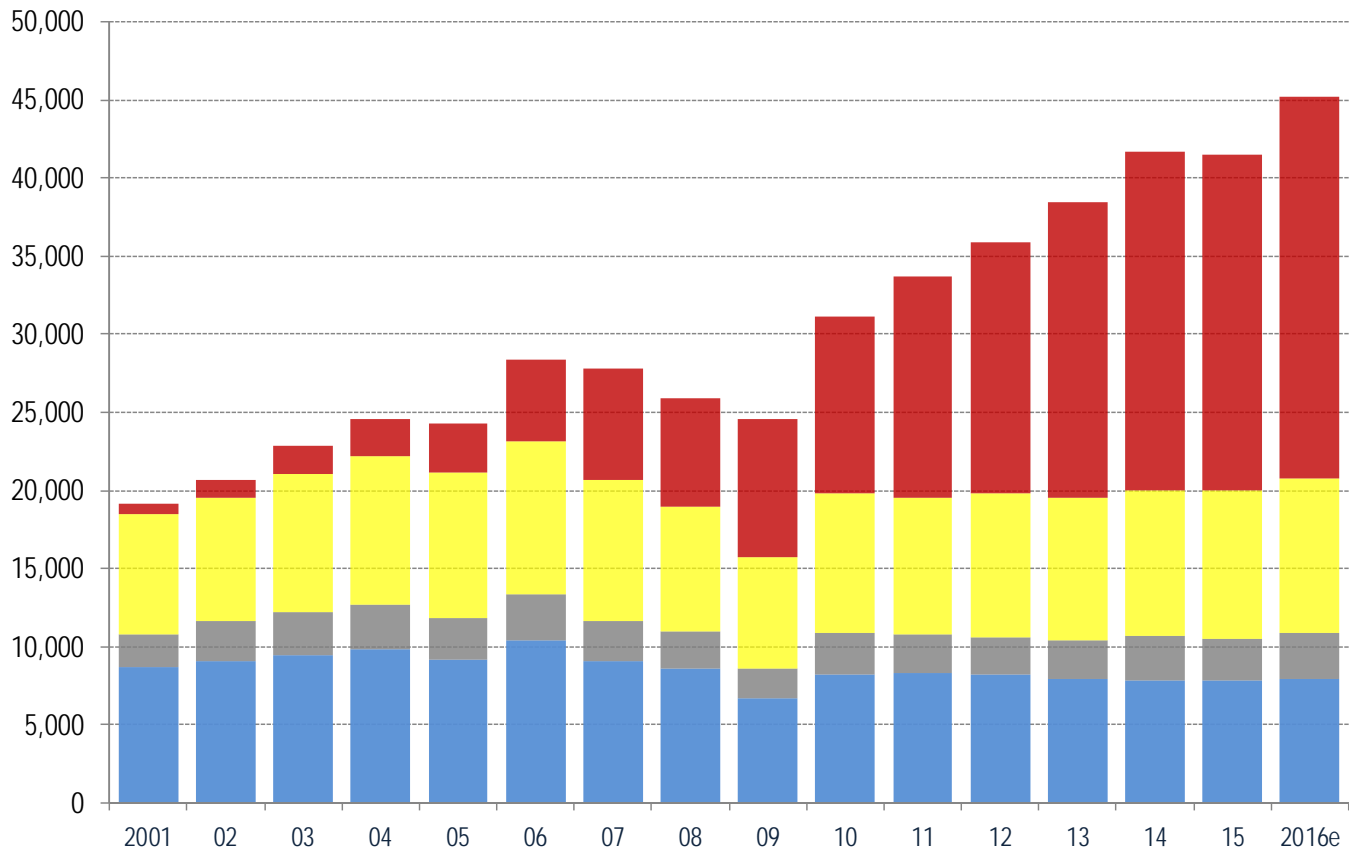
Source: ISSF and Acerinox

STAINLESS STEEL WORLDWIDE PRODUCTION



Thousands Mt

China grows again and represents 54% of world production in 2016



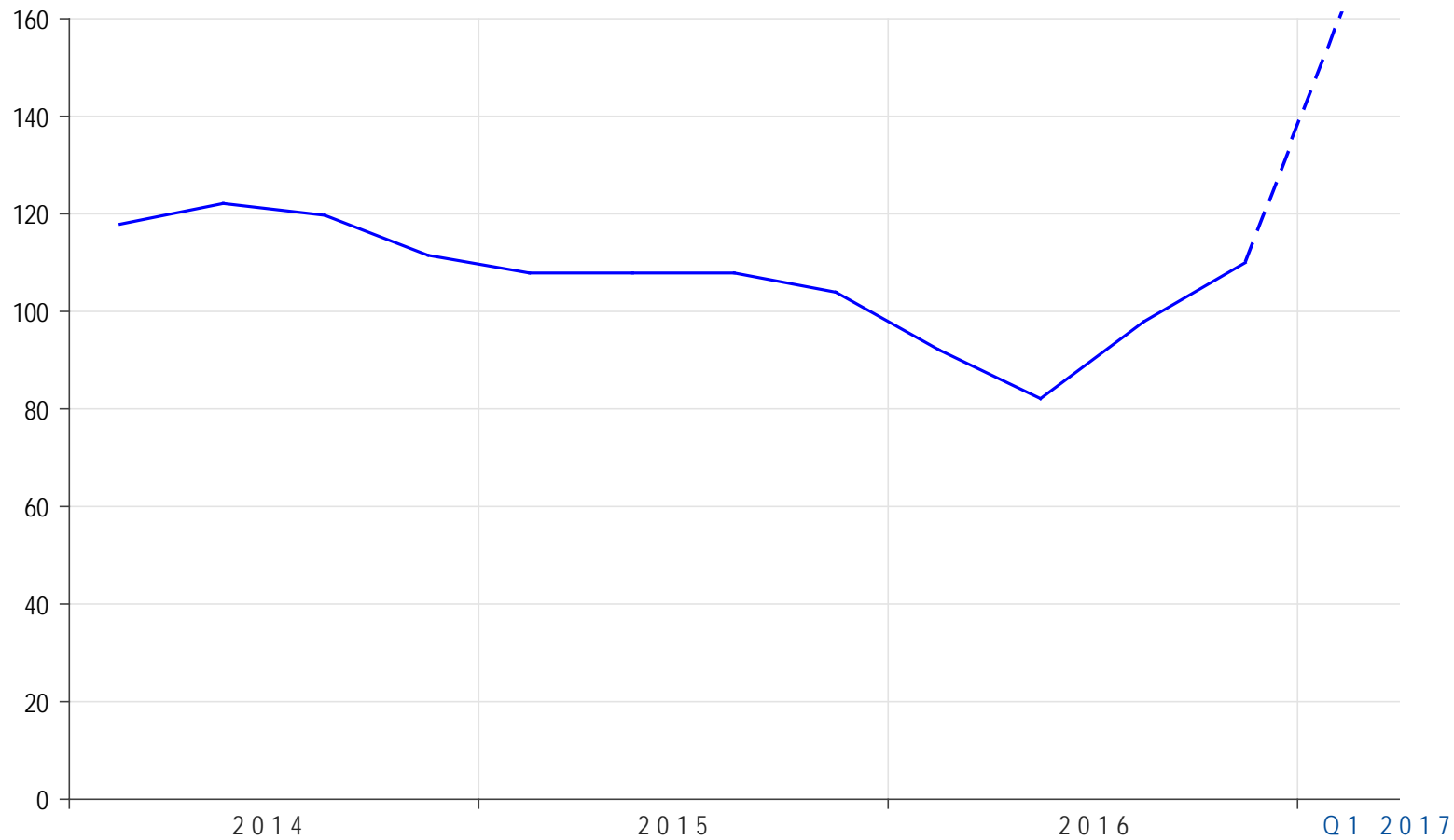
| COMPOUND ANNUAL GROWTH RATE 2001-2016 e | |
|---|-------|
| WORLD | 5.9% |
| China | 26.4% |
| Rest of the world | 0.8% |

- China
- Rest of Asia
- America
- Europe + Africa

FERROCHROME QUARTERLY AVERAGE PRICES



US¢ / Lb. Cr



Source: Metal Bulletin

OFFICIAL NICKEL PRICE IN THE L.M.E.



Average price: cash/three months (USD/Mt. Ni)



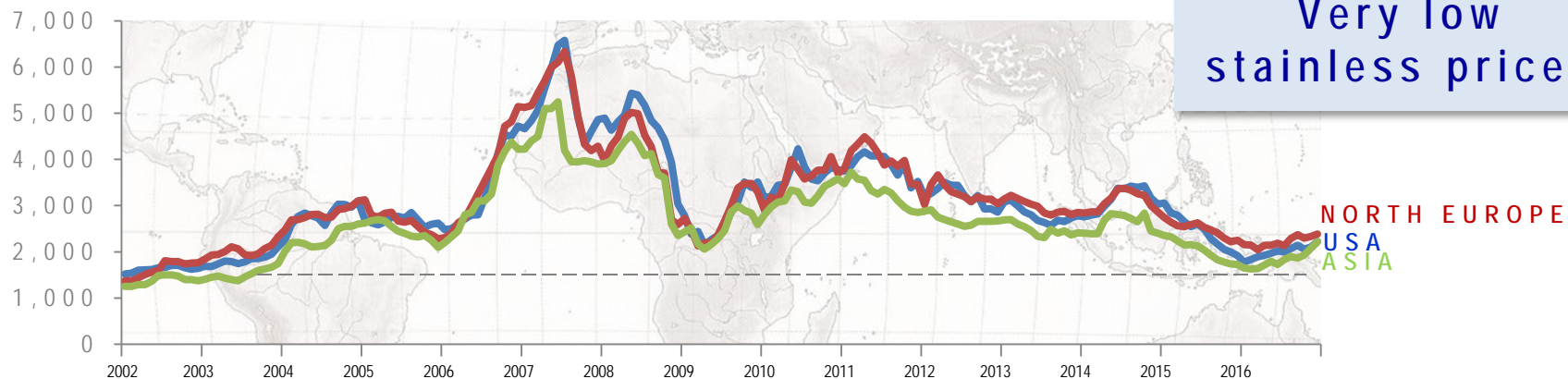
OFFICIAL NICKEL PRICE IN THE L.M.E. AND STAINLESS STEEL PRICES FROM 2002 TO 2016



Average price: cash/three months (USD/Mt. Ni)



AISI 304 2.0 mm. USD/Mt, coil final price, alloy surcharge included





Vehicle production



Construction



Household appliances



+5.5%

Eurofer's estimate for 2016

-0.2%

Eurofer's estimate for 2016

+1.1%

Eurofer's estimate for 2016



+1.3%

Year to December
Source: Wards Auto

+4.5%

Year to December
Source: US Census Bureau

+3.3%

Year to December
Source: AHAM



+14.4%

Year to December
Source: CAAM

+6.9%

Year to December
Source: NBS

+3.0%

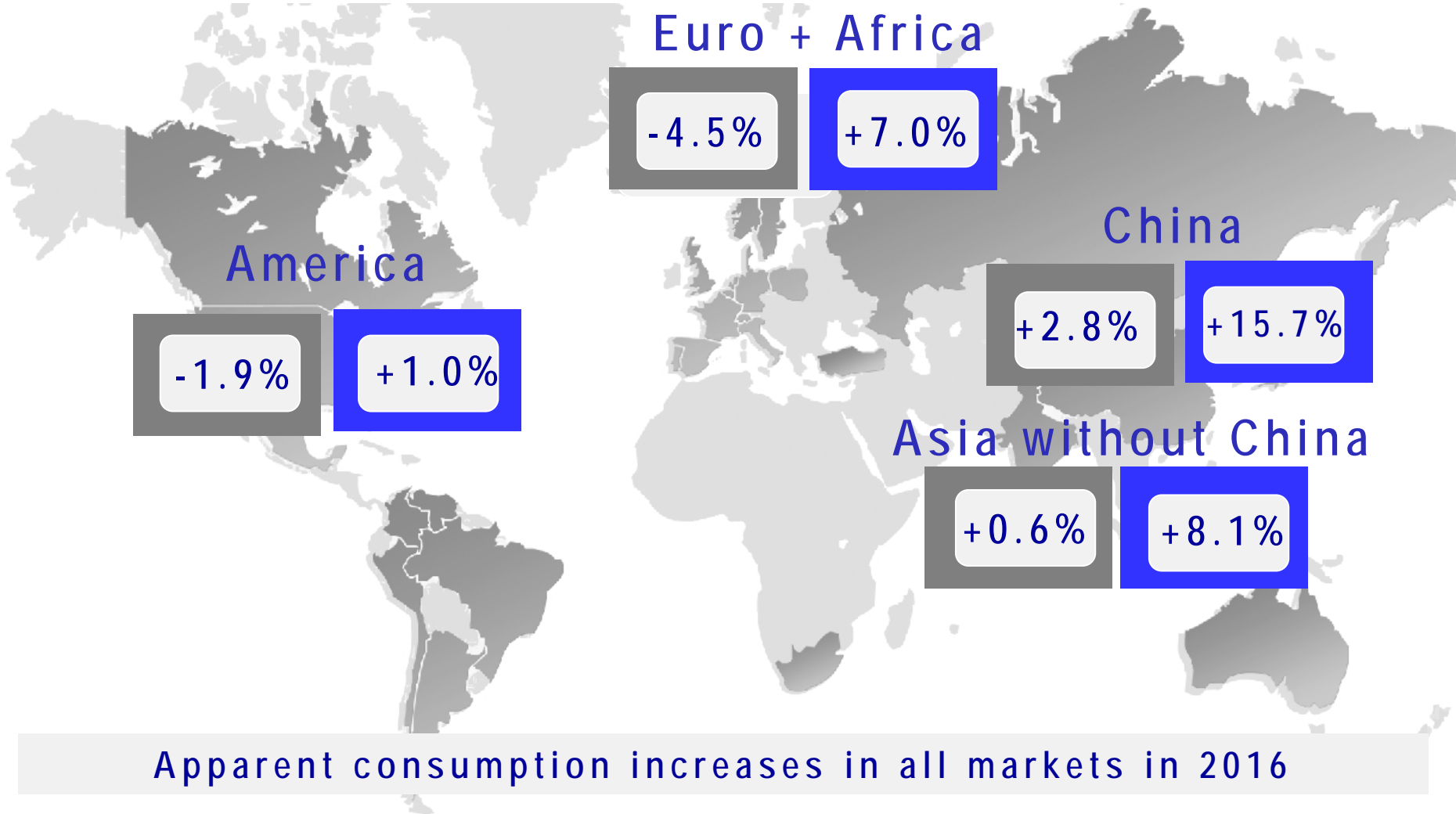
Year to December
Source: NBS

ESTIMATED GROWTH OF APPARENT CONSUMPTION



% 2015 - 2014

% 2016 - 2015

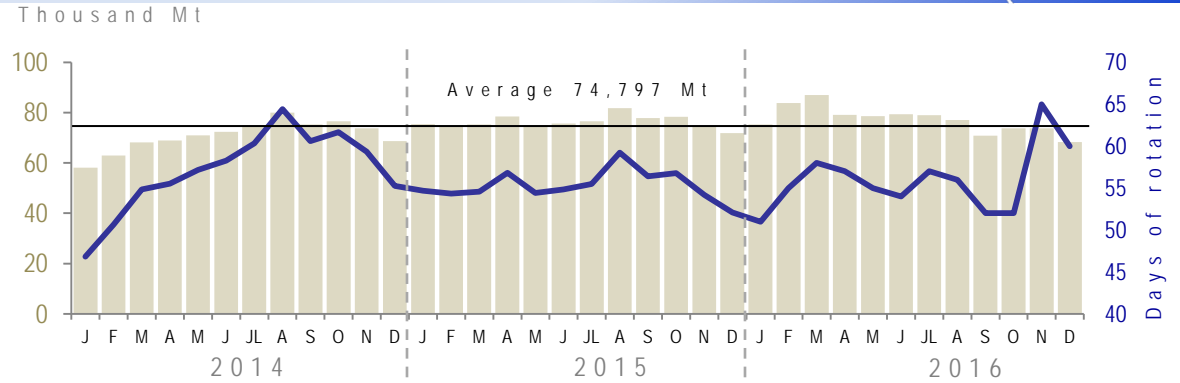


Apparent consumption increases in all markets in 2016



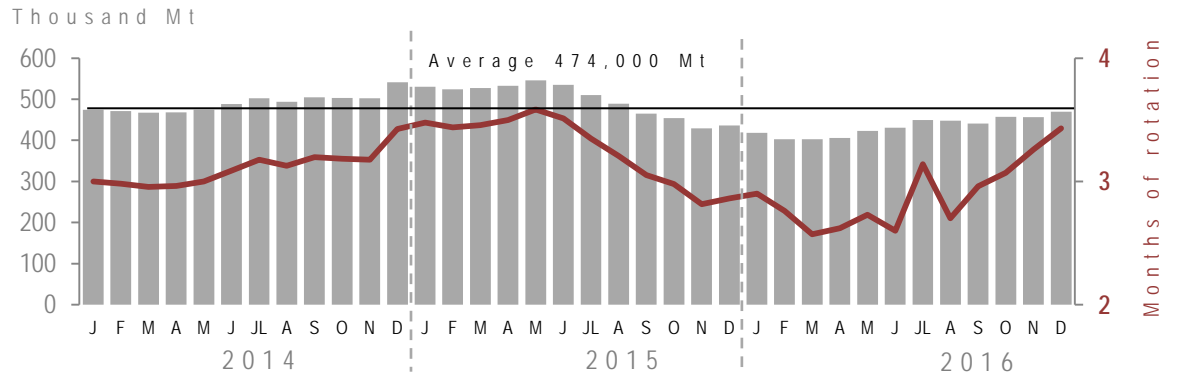
INVENTORIES OF COLD-ROLLED

Source: EHV
Germany



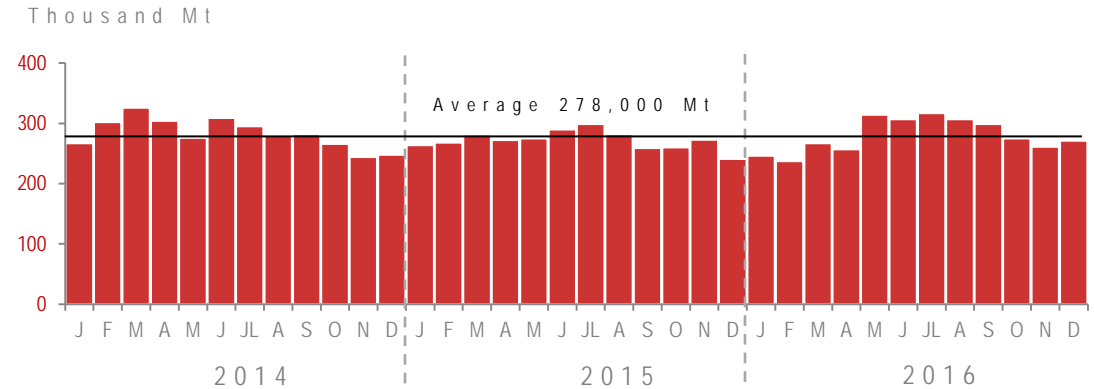
INVENTORIES AT DISTRIBUTORS

Source: MSCI



INVENTORIES AT WUXI AND FOSHAN

Source: 51 bxg



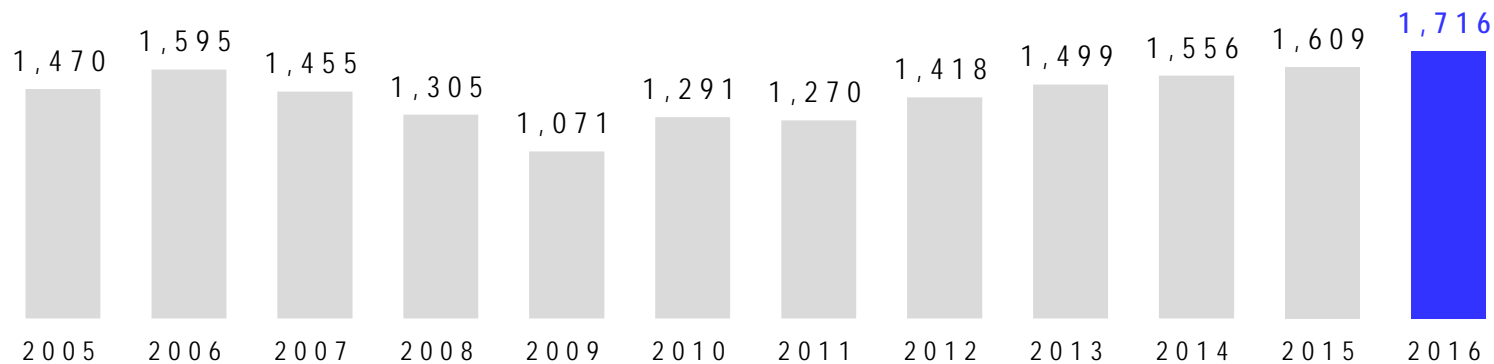
Thousands Mt

| | Thousand Mt | Year 2016 | | | | Accumulated | Year 2015 | Variation |
|----------------------------|-------------|-----------|-------|-------|-------|-------------|-----------|-------------|
| | | Q1 | Q2 | Q3 | Q4 | | Jan-Dec | 2016 / 2015 |
| Melt shop | | 575.1 | 652.0 | 637.3 | 611.0 | 2,475.4 | 2,319.6 | 6.7% |
| Hot Rolling | | 526.4 | 563.4 | 571.9 | 547.1 | 2,208.9 | 2,038.7 | 8.3% |
| Cold Rolling | | 418.1 | 428.0 | 429.0 | 440.8 | 1,715.9 | 1,609.0 | 6.6% |
| Long Product (Hot Rolling) | | 54.1 | 63.8 | 53.7 | 52.7 | 224.3 | 215.9 | 3.9% |

**New cold rolling production record
Second best year in melting and hot rolling**

Cold rolling production

Thousand Mt



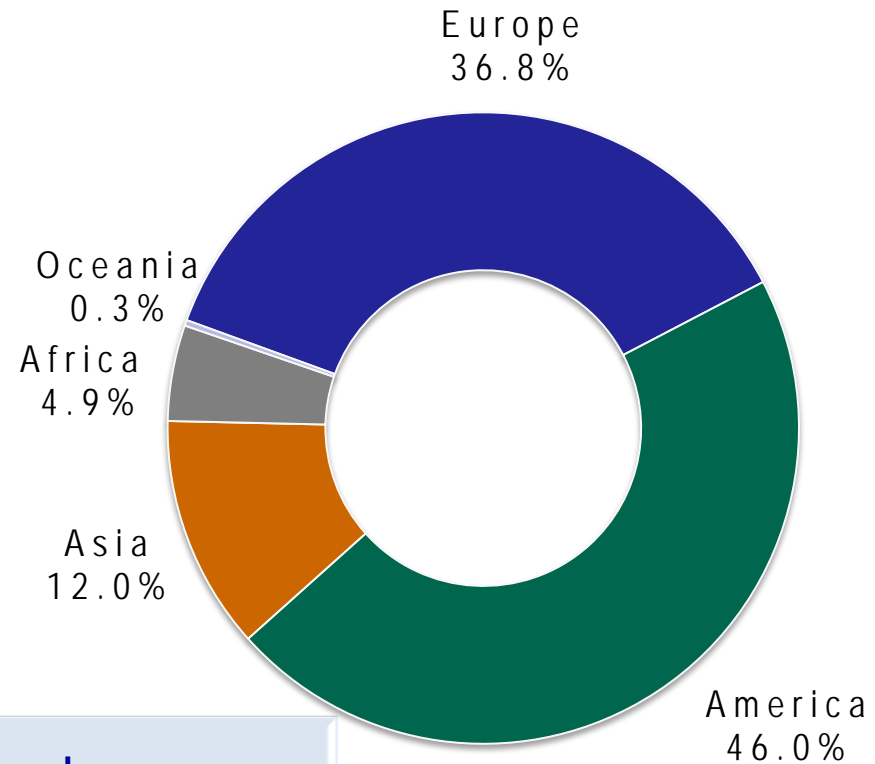
QUARTERLY PROFIT & LOSS ACCOUNT OF THE CONSOLIDATED GROUP



Million EUR

| | Q1 2016 | Q2 2016 | Q3 2016 | Q4 2016 | January-December | | |
|--|---------------|---------------|-----------------|-----------------|------------------|-----------------|--------------|
| | | | | | 2016 | 2015 | Variation |
| Net sales | 953.35 | 953.67 | 1,007.62 | 1,053.50 | 3,968.14 | 4,221.43 | -6.0% |
| Gross operating result / EBITDA | 40.99 | 78.75 | 103.30 | 106.04 | 329.07 | 286.23 | 15.0% |
| <i>% over sales</i> | 4.3% | 8.3% | 10.3% | 10.1% | 8.3% | 6.8% | |
| EBIT | 0.55 | 35.89 | 60.20 | 60.80 | 157.44 | 120.89 | 30.2% |
| <i>% over sales</i> | 0.1% | 3.8% | 6.0% | 5.8% | 4.0% | 2.9% | |
| Result before taxes | -7.35 | 26.43 | 53.50 | 55.29 | 127.87 | 76.90 | 66.3% |
| Result after taxes and minorities | -8.31 | 16.99 | 35.82 | 35.82 | 80.32 | 42.89 | 87.3% |
| Depreciation | 40.20 | 42.73 | 42.70 | 44.16 | 169.79 | 163.68 | 3.7% |
| Net cash flow | 31.89 | 59.72 | 78.53 | 79.98 | 250.11 | 206.57 | 21.1% |

Year 2016



Spanish multinational

Sales in more than 80 countries

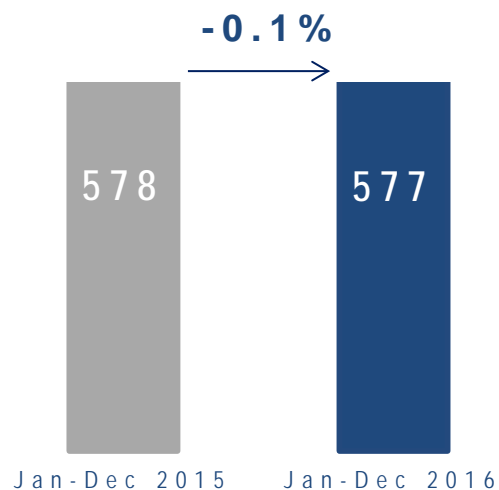
Spain accounts for 10% of sales

MAIN FIGURES OF THE P&L ACCOUNT

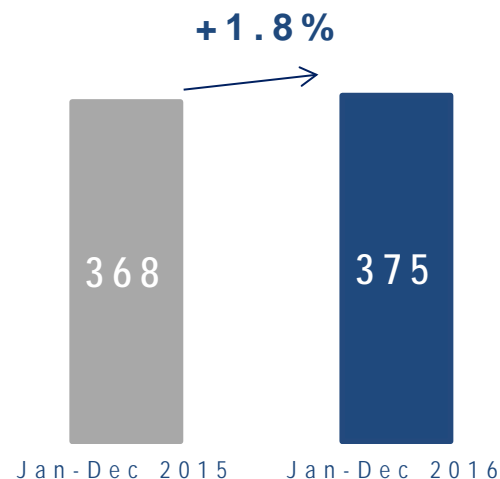


Million EUR

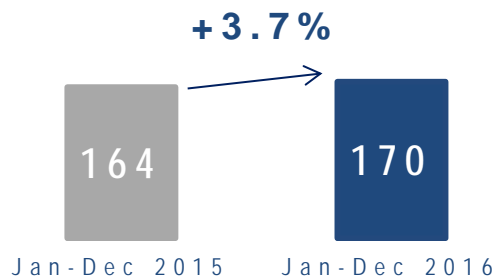
Operating expenses



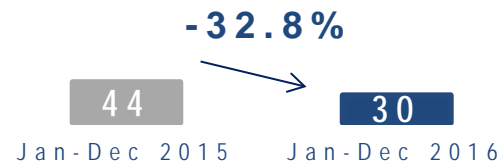
Personnel expenses



Depreciation & Amortization

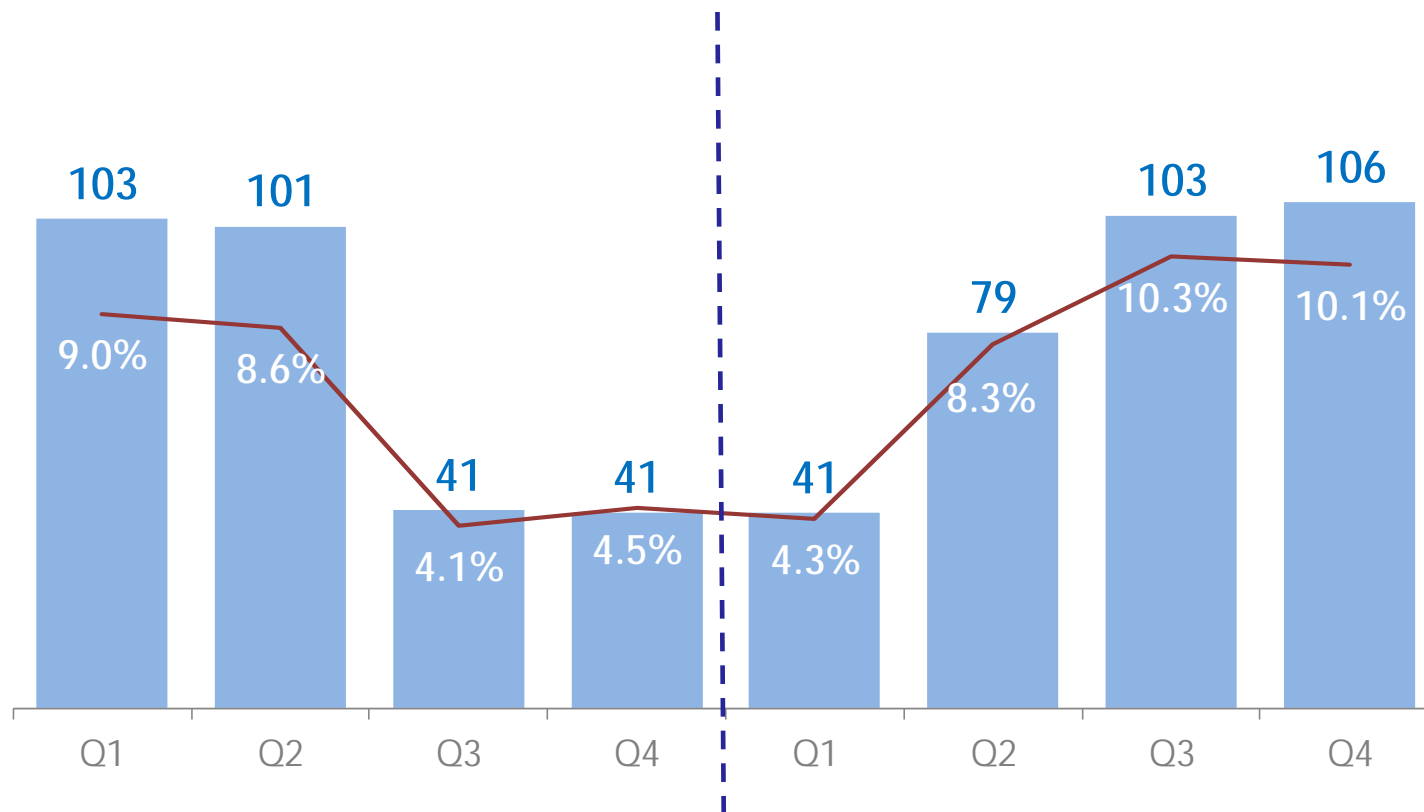


Net financial expenses



QUARTERLY EVOLUTION OF THE EBITDA OF THE CONSOLIDATED GROUP

Million EUR
(% over sales)



2015: 286 Mill € +15% → 2016: 329 Mill €

CONDENSED BALANCE SHEET OF THE CONSOLIDATED GROUP



Million EUR

Net Financial Debt: 620 million EUR

Debt / EBITDA: 1.88x

Gearing: 29%

| ASSETS | | | | LIABILITIES | | | |
|---------------------------------|-----------------|-----------------|--------------|---|-----------------|-----------------|--------------|
| | 2016 | 2015 | Variation | | 2016 | 2015 | Variation |
| Non-current assets | 2,357.53 | 2,317.53 | 1.7% | Equity | 2,168.68 | 2,023.30 | 7.2% |
| Current assets | 2,097.51 | 1,808.14 | 16.0% | Non-current liabilities | 1,191.17 | 995.59 | 19.6% |
| - Inventories | 887.42 | 824.93 | 7.6% | - Interest-bearing loans and borrowings | 936.81 | 741.16 | 26.4% |
| - Debtors | 575.51 | 478.85 | 20.2% | - Other non-current liabilities | 254.37 | 254.43 | 0.0% |
| <i>Trade debtors</i> | <i>527.79</i> | <i>439.54</i> | <i>20.1%</i> | Current liabilities | 1,095.20 | 1,106.77 | -1.0% |
| <i>Other debtors</i> | <i>47.73</i> | <i>39.31</i> | <i>21.4%</i> | - Interest-bearing loans and borrowings | 281.61 | 449.54 | -37.4% |
| - Cash and other current assets | 634.58 | 504.36 | 25.8% | - Trade creditors | 712.97 | 566.28 | 25.9% |
| | | | | - Other current liabilities | 100.61 | 90.96 | 10.6% |
| TOTAL ASSETS | 4,455.05 | 4,125.67 | 8.0% | TOTAL EQUITY AND LIABILITIES | 4,455.05 | 4,125.67 | 8.0% |

CONDENSED CASH-FLOW STATEMENT OF ACERINOX CONSOLIDATED GROUP

ACERINOX

Million EUR

| | Jan - Dec 2016 | Jan - Dec 2015 |
|---|-------------------|-------------------|
| Result before taxes | 127.9 | 76.9 |
| Adjustments for: | 215.1 | 210.2 |
| <i>Depreciation and amortisation</i> | 169.8 | 163.7 |
| <i>Changes in provisions and impairments</i> | -8.4 | 2.3 |
| <i>Other adjustments in the result</i> | 53.7 | 44.1 |
| Changes in working capital | 16.3 | -129.5 |
| <i>Changes in operating working capital</i> | -4.1 | -244.0 |
| · <i>Inventories</i> | -62.5 | 26.8 |
| · <i>Trade debtors</i> | -88.3 | 4.0 |
| · <i>Trade creditors</i> | 146.7 | -274.8 |
| <i>Others</i> | 20.3 | 114.5 |
| Other cash-flow from operating activities | -90.5 | -140.1 |
| <i>Income tax</i> | -55.8 | -94.5 |
| <i>Financial expenses</i> | -34.6 | -45.6 |
| NET CASH-FLOW FROM OPERATING ACTIVITIES | 268.8 | 17.4 |
| Payments for investments on fixed assets | -156.4 | -67.5 |
| Others | -0.9 | -0.1 |
| NET CASH-FLOW FROM INVESTING ACTIVITIES | -157.3 | -67.6 |
| NET CASH-FLOW AFTER INVESTING ACTIVITIES | 111.5 | -50.2 |
| Acquisition of treasury shares | -0.1 | -0.1 |
| Dividends paid to shareholders and minorities | -26.7 | -47.8 |
| Changes in net debt | 18.3 | -177.7 |
| <i>Changes in bank debt/private placement</i> | 27.7 | -163.4 |
| <i>Conversion differences</i> | -9.4 | -14.3 |
| Attributable to minority interests | 0.0 | 0.0 |
| Others | 0.9 | 0.3 |
| NET CASH-FLOW FROM FINANCING ACTIVITIES | -7.6 | -225.3 |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | 103.9 | -275.4 |
| Opening cash and cash equivalents | 480.0 | 738.4 |
| Effect of the exchange rate fluctuations on cash held | 14.6 | 17.0 |
| CLOSING CASH AND CASH EQUIVALENTS | 598.5 | 480.0 |

Optimization of working capital

New investments

Scrip dividend

Generating cash to invest, reward shareholders and reduce debt

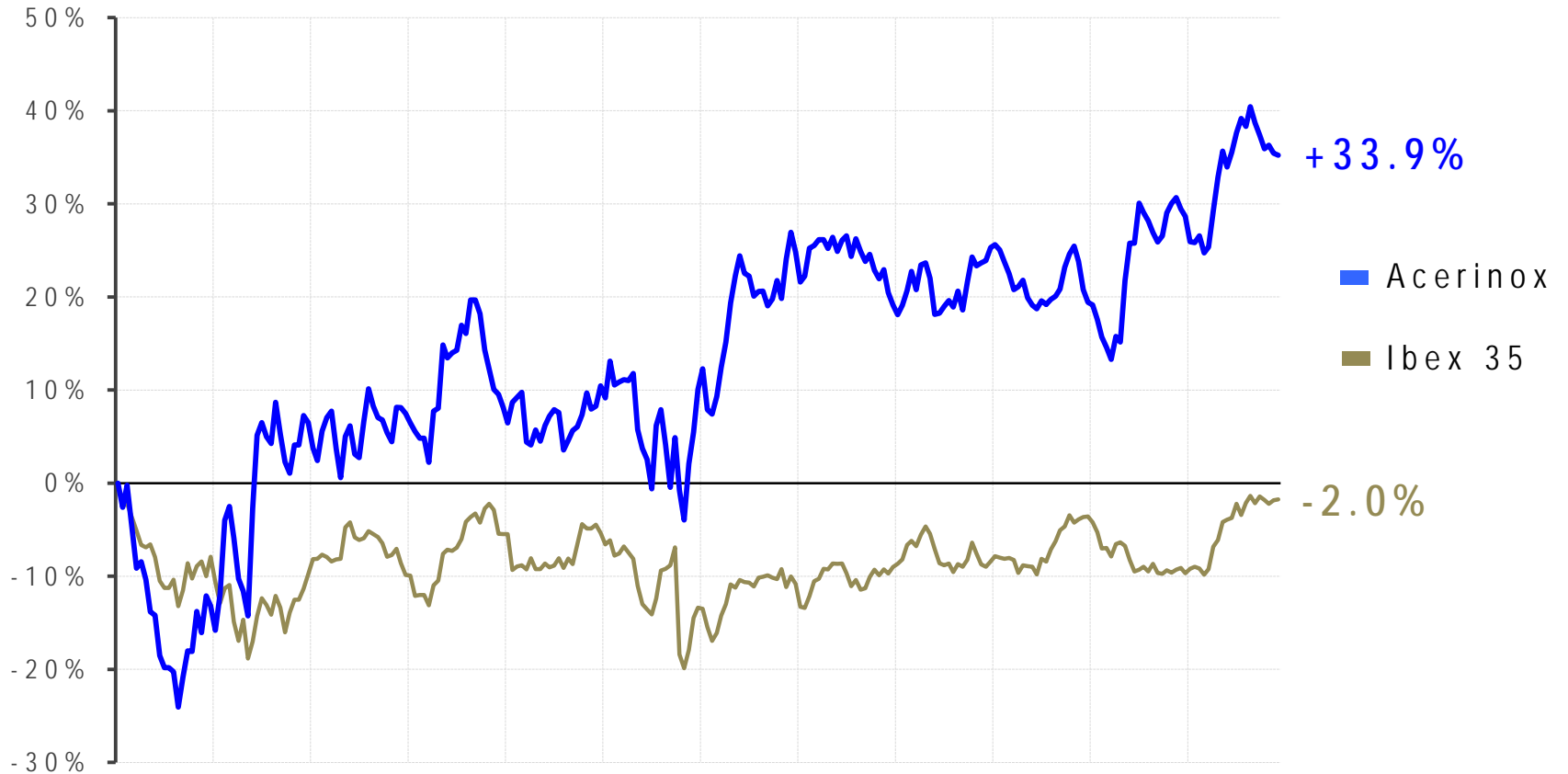
Period 2008-2016:

| | |
|------------------------|-------|
| Cash generation | 2,762 |
| CAPEX | 1,587 |
| Return to shareholders | 872 |
| Net debt reduction | 303 |

STOCK MARKET EVOLUTION OF ACERINOX, S.A. & IBEX 35



Daily percentage data, year 2016



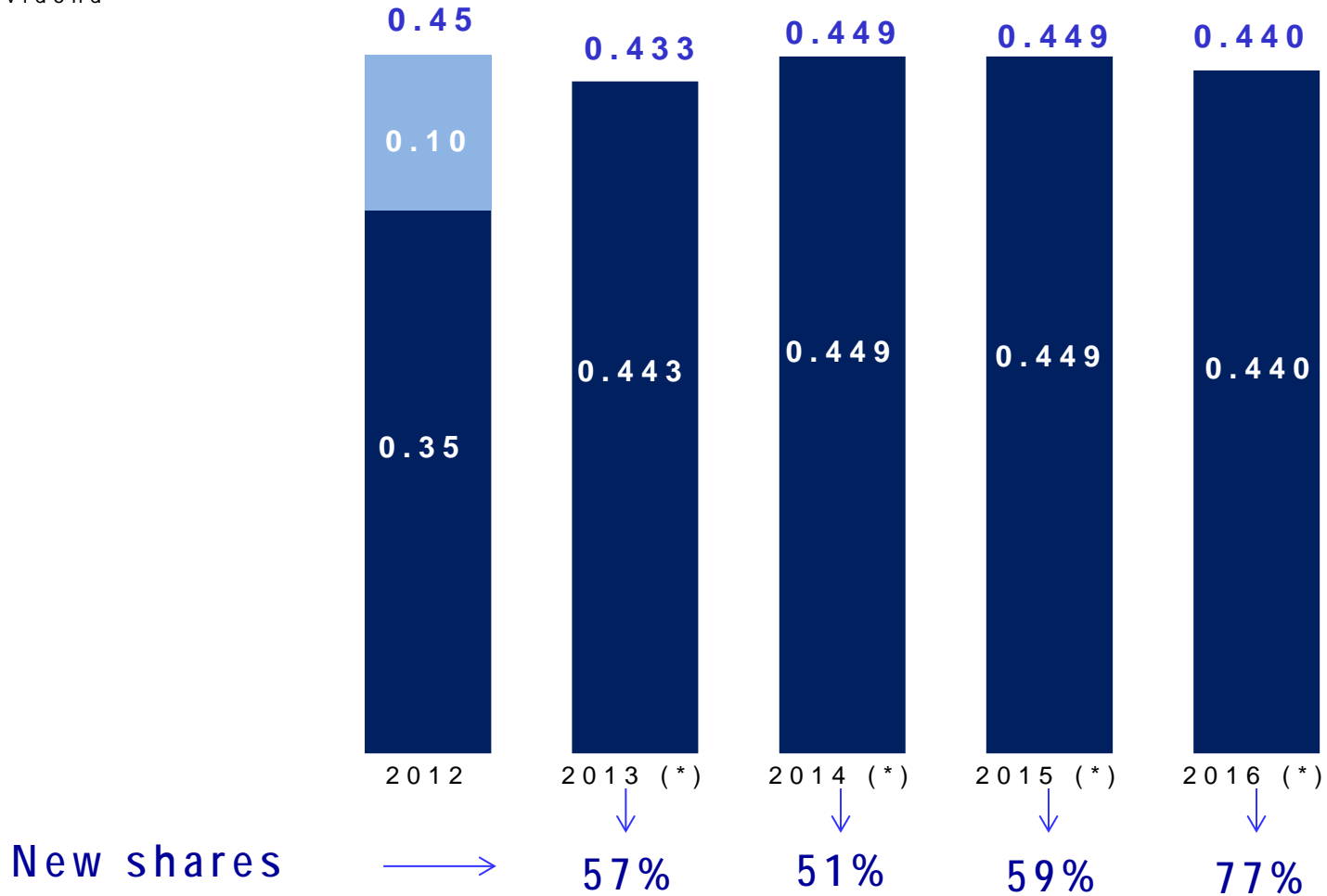
RETURN TO SHAREHOLDERS



EUR/share

(*) scrip dividend

Issue premium
Dividend



Belief on a leader product

Operative Excellence

Global Presence

Financial Strength

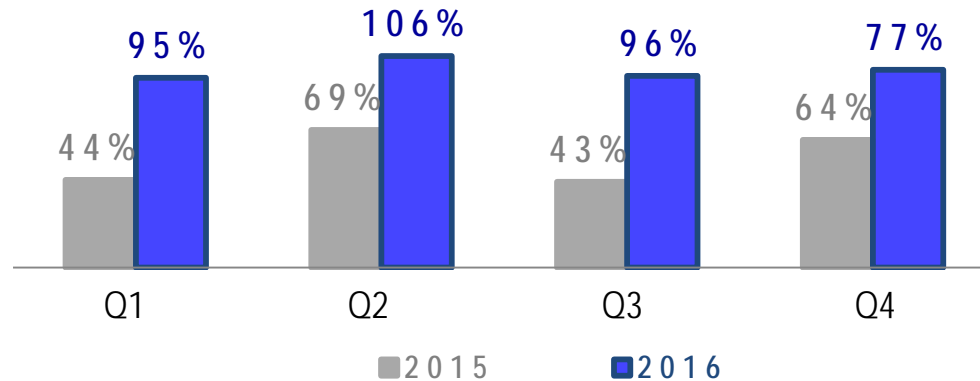
Sustainability



| | TARGET ACHIEVED | |
|---------------------|-----------------|----------------|
| Excellence Plan I | 73% | 97 Million EUR |
| Excellence Plan II | 59% | 52 Million EUR |
| Excellence Plan III | 88% | 53 Million EUR |
| Excellence Plan IV | 74% | 50 Million EUR |



EXCELLENCE PLAN IV 2015-2016
% TARGET ACHIEVED:

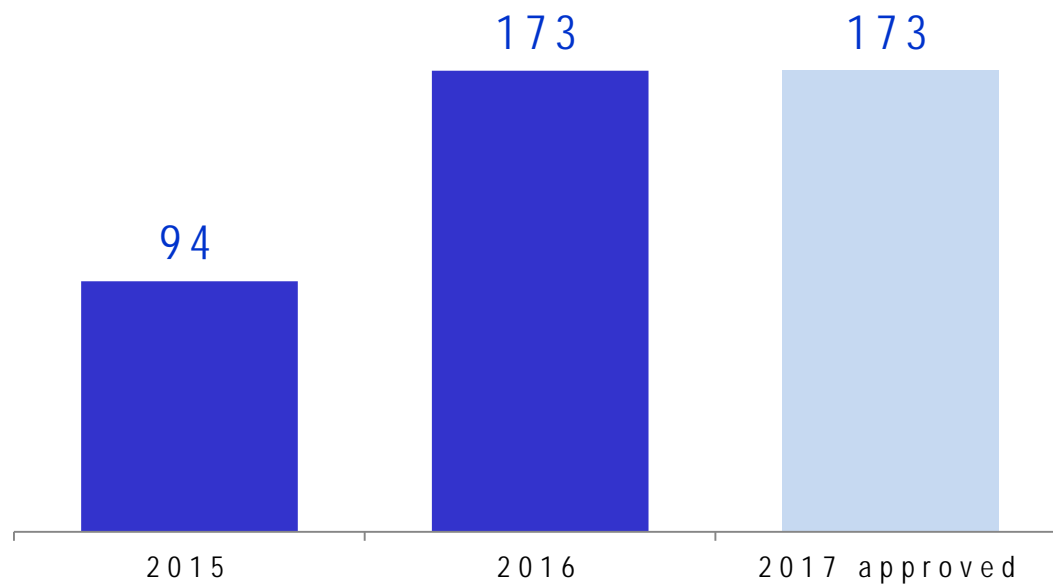


EXCELLENCE PLAN V: 2017-2018

5 blocks: excellence in operations, working capital management, supply chain optimization and commercial and personnel management

Recurrent savings 50 million EUR

Million EUR



Investments in NAS and Acerinox Europa

Bright Anneal and ZM lines investments

- 116 million euros
- First coils ZM line: January 2017
- BA start up: second quarter 2017



Sendzimir (ZM) from NAS



Bright Anneal line construction

AP and ZM lines investment



AP5 construction

- 140 million euros
- Start up: ending of 2017
- Payback: <5 years
- Goals:
 - higher value-added products
 - increase sales to direct client
 - improve capacity utilization
 - cost savings and reduction of emissions

OPPORTUNITIES

- ✓ Economic growth
 -  increase in consumption
- ✓ Reduction of global overcapacity
- ✓ Base price increases in US and EU
- ✓ Efficiency improvements
- ✓ Start-up of new investments
- ✓ Financial strength

UNCERTAINTY

- Inventories in China
- Overcapacity in China
- Volatility of the raw material
- Political risks



Interior architecture with stainless steel



Restoration of the Gaudí Palace in Astorga



Tanks Water Treatments



Pressfitting system





ACERINOX

THANK YOU