



ACERINOX

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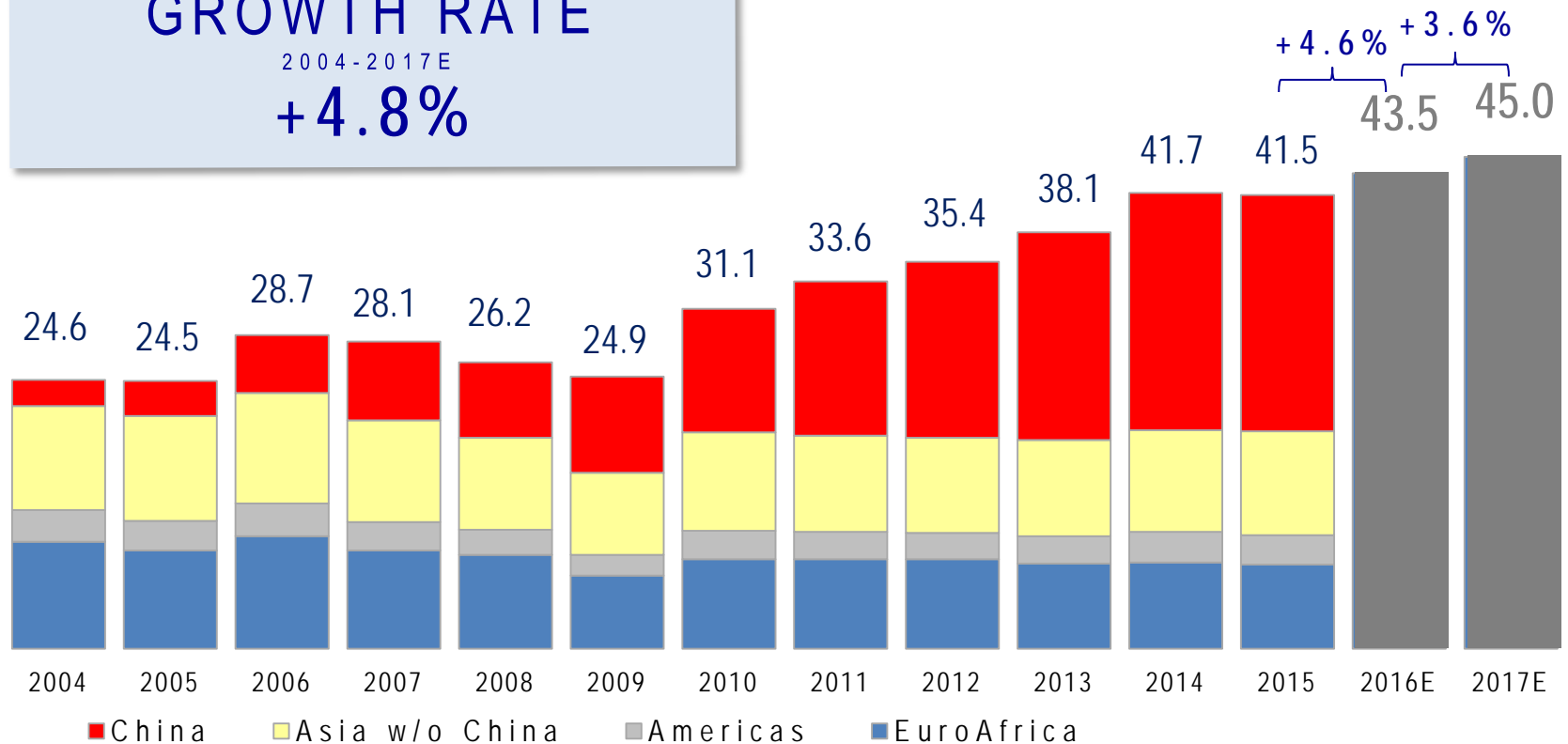
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STAINLESS STEEL MELT SHOP PRODUCTION

Million tons. World production

COMPOUND ANNUAL GROWTH RATE

2004-2017E
+4.8%

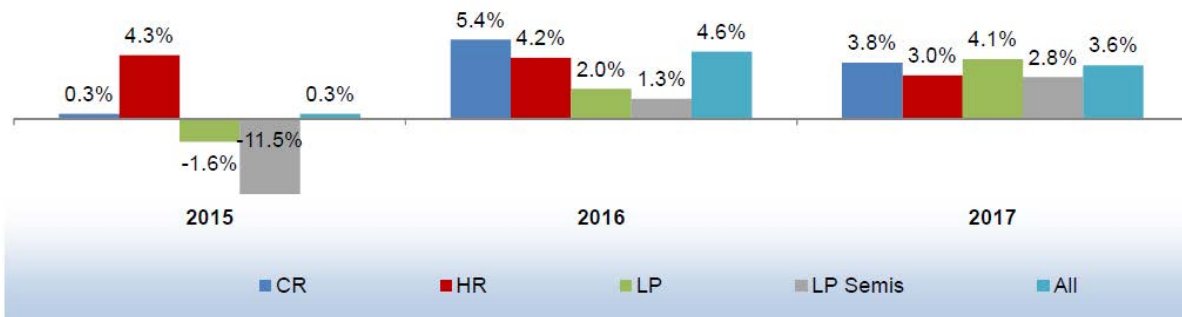


Source: ISSF

Finalised* consumption year-on-year changes [%]



World



Euro/Africa	2.1%
Americas	1.8%
Asia w/o China	4.9%
China	3.9%

*revised

ISSF • K. Hasenclever • 10/14/2016

SECTOR INDICATORS



Auto
Production



Construction



Home
Appliances



+5.0%

Eurofer's estimate for 2016

+1.4%

Eurofer's estimate for 2016

+4.6%

Eurofer's estimate for 2016



+1.2%

Year to November
Source: Wards Auto

+4.5%

Year to October
Source: US Census Bureau

+2.9%

Year to November
Source: AHAM



+14.5%

Year to November
Source: CAAM

+6.5%

Year to November
Source: NBS

+2.3%

Year to November
Source: NBS

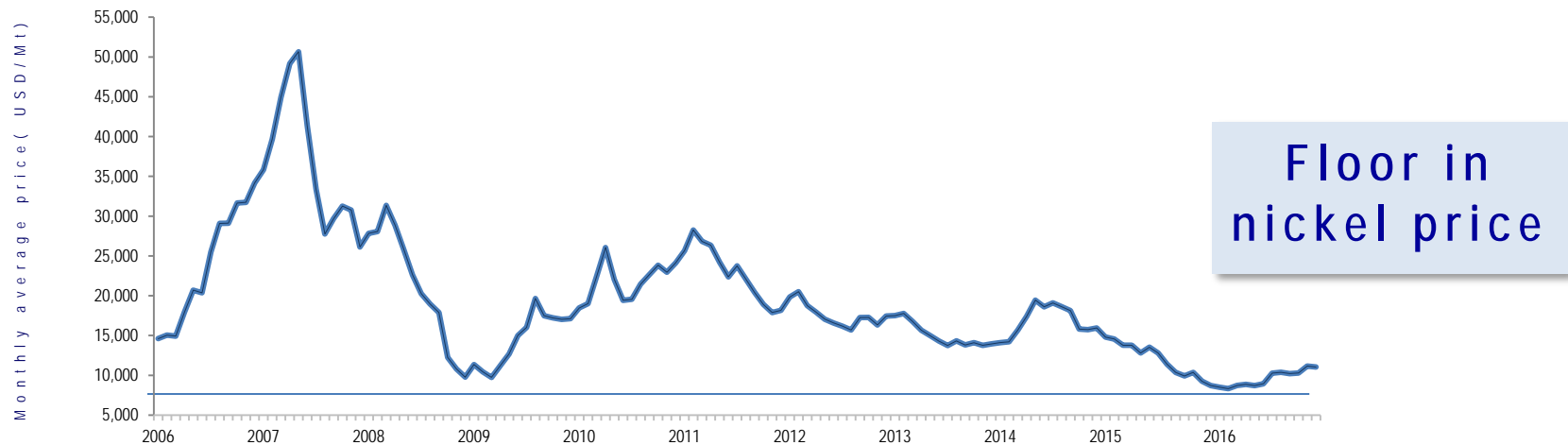
Final demand remains robust in all markets

OFFICIAL NICKEL PRICE IN THE L.M.E.

Years 2015 and 2016, up to December 31



2006-2016 (up to December)

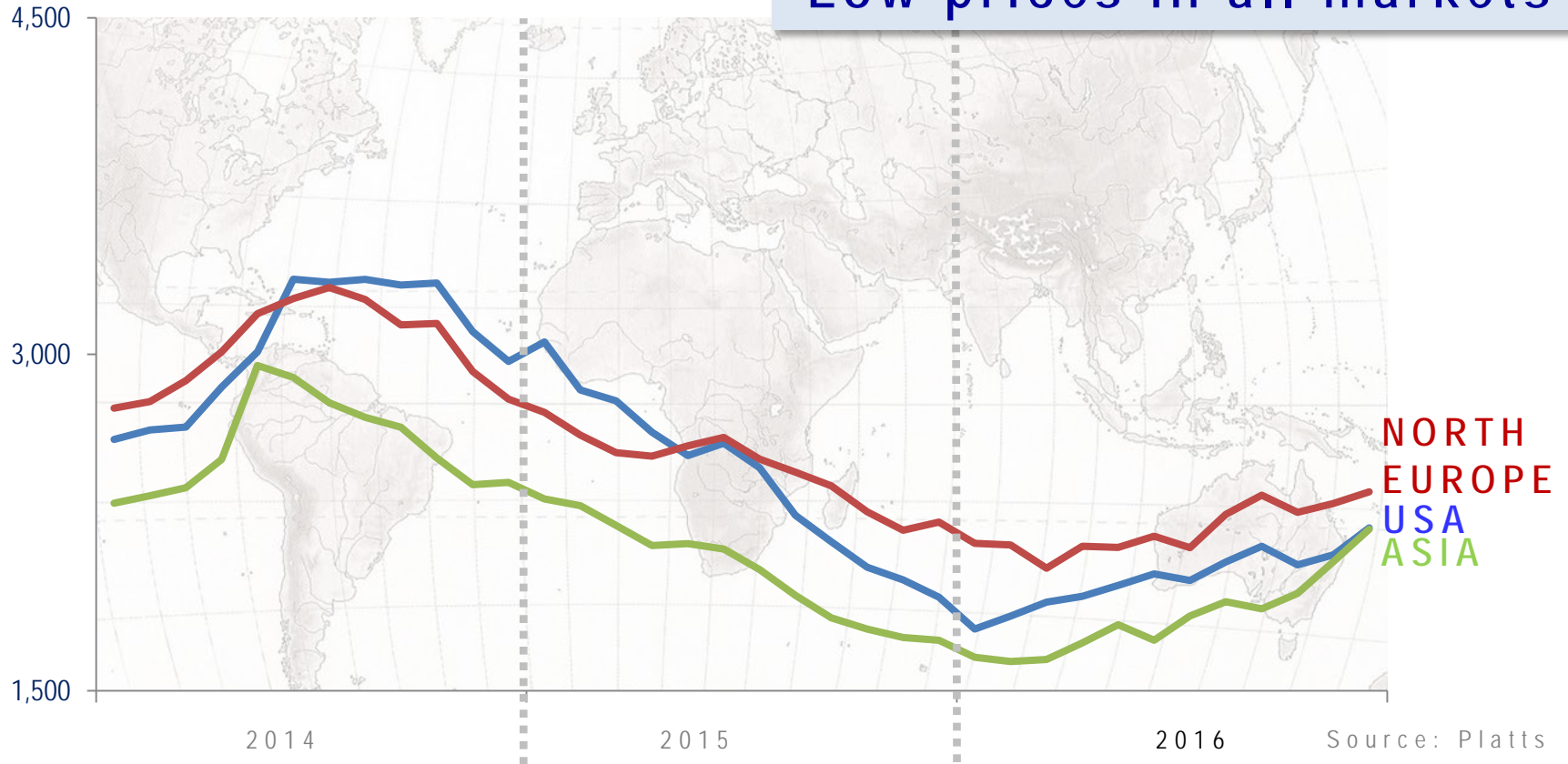


STAINLESS STEEL COLD ROLLED SHEET PRICES ACERINOX

AISI 304 2.0 mm

2014-2016 until December

Low prices in all markets



USD/Mt, final price, alloy surcharge included

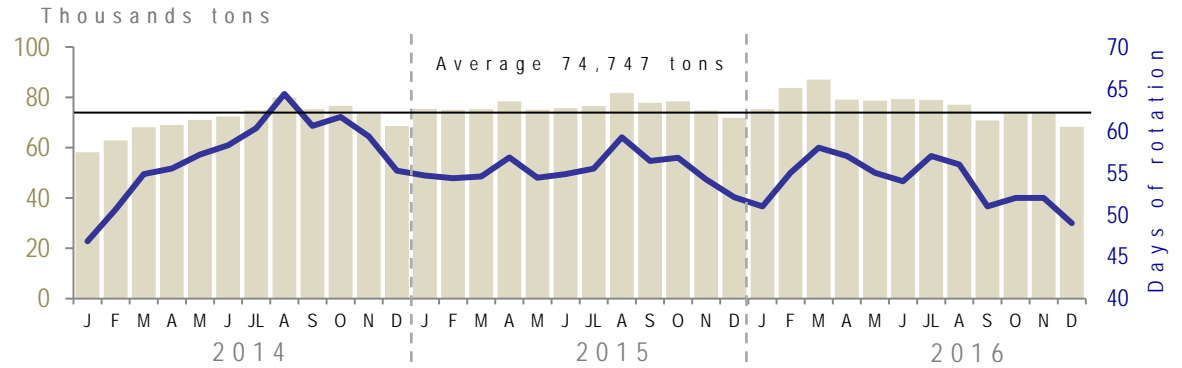
STAINLESS STEEL INVENTORIES



INVENTORIES OF COLD-ROLLED

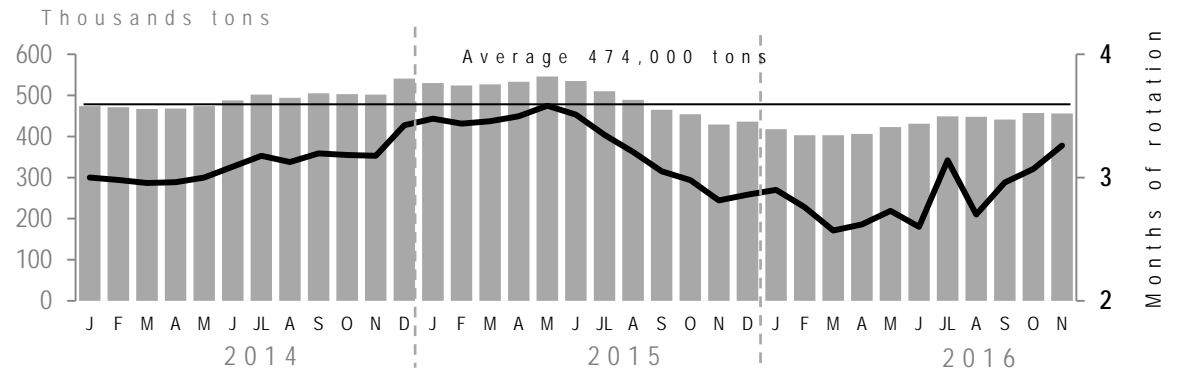
Source: EHV

Reference: Germany



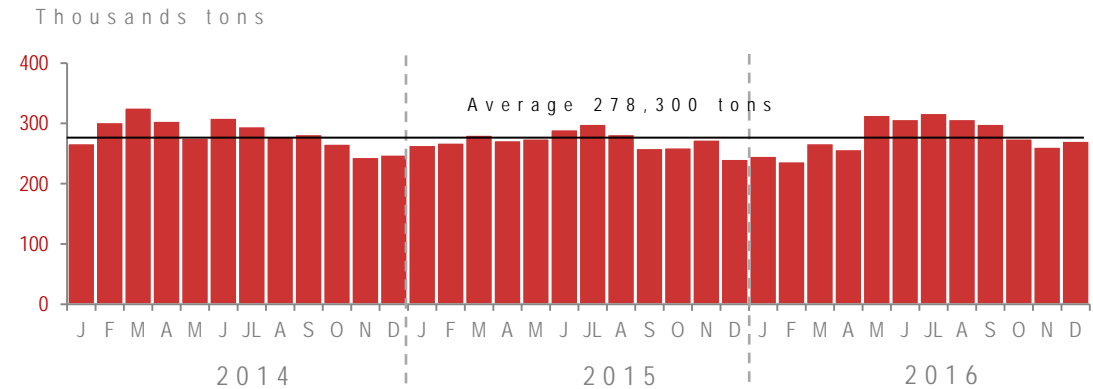
INVENTORIES AT DISTRIBUTORS

Source: MSCI



AT WUXI AND FOSHAN

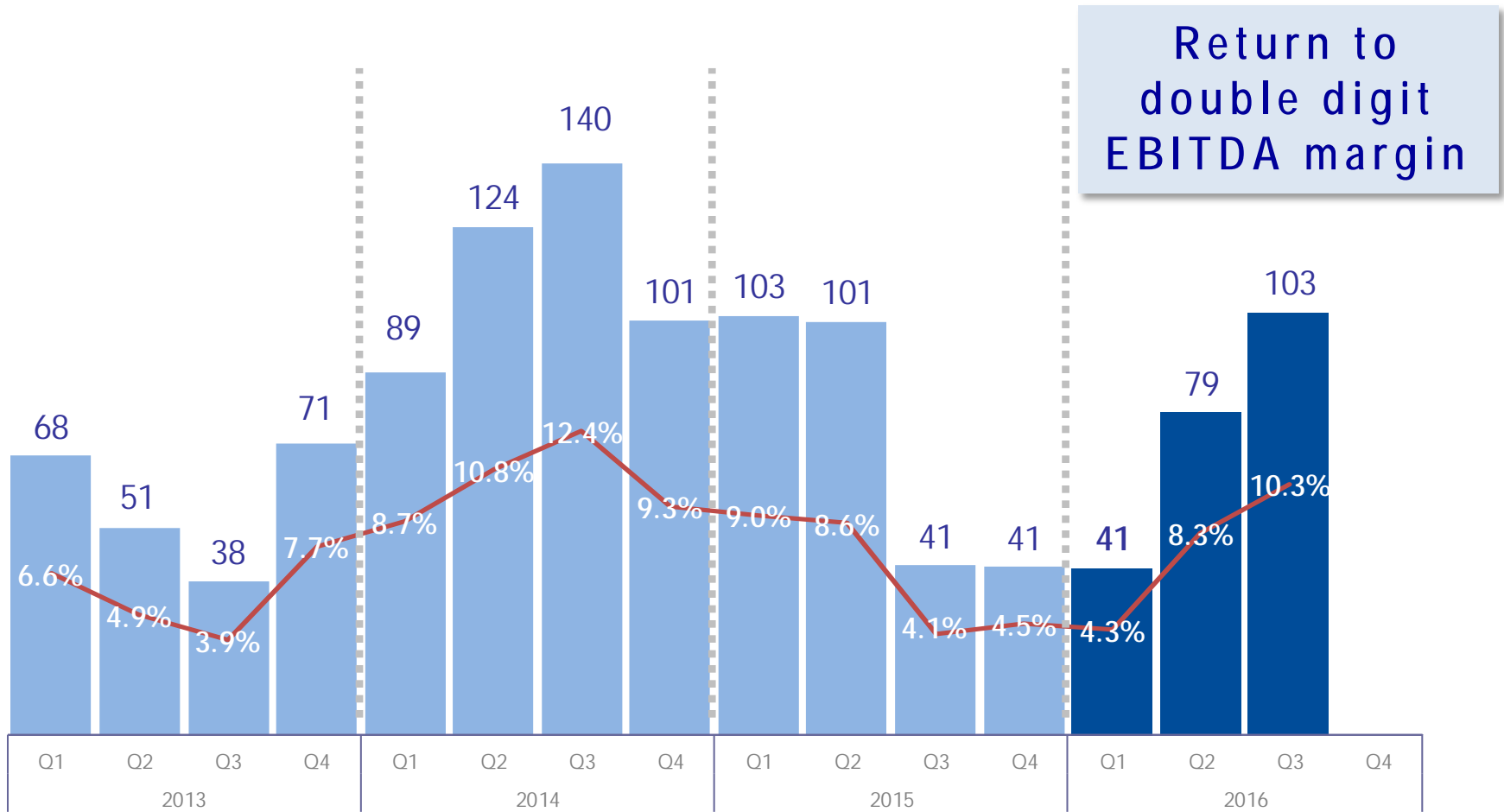
Source: 51 bxxg



QUARTERLY EVOLUTION OF OUR EBITDA



Million EUR



BALANCE SHEET

Million EUR

ASSETS

	Sep 16	2015	Sep 15	Variation
Non-current assets	2,262.99	2,317.53	2,310.72	-2.4%
Current assets	2,034.38	1,808.14	2,002.21	12.5%
- Inventories	855.77	824.93	885.61	3.7%
- Debtors	548.98	478.85	576.65	14.6%
<i>Trade debtors</i>	519.23	439.54	543.33	18.1%
<i>Other debtors</i>	29.74	39.31	33.32	-24.3%
- Cash and other current assets	629.64	504.36	539.95	24.8%
TOTAL ASSETS	4,297.37	4,125.67	4,312.93	4.2%

LIABILITIES

	Sep 16	2015	Sep 15	Variation
Equity	1,990.54	2,023.30	2,002.90	-1.6%
Non-current liabilities	1,232.10	995.59	1,067.55	23.8%
- Interest-bearing loans and borrowings	991.50	741.16	810.88	33.8%
- Other non-current liabilities	240.60	254.43	256.67	-5.4%
Current liabilities	1,074.72	1,106.77	1,242.47	-2.9%
- Interest-bearing loans and borrowings	292.70	449.54	475.59	-34.9%
- Trade creditors	682.17	566.28	670.81	20.5%
- Other current liabilities	99.85	90.96	96.07	9.8%
TOTAL EQUITY AND LIABILITIES	4,297.37	4,125.67	4,312.93	4.2%

	Sep '16	Dec '15	Sep '15
Working Capital	693	698	758
Net financial Debt	678	711	788

The net financial debt is 14% lower than that of September 2015

We maintain credit lines in force for an amount of 1,895 million EUR (32% is available)

CASH FLOW STATEMENT

Million EUR

	Jan - Sep 2016	Jan - Dec 2015	Jan - Sep 2015
Result before taxes	72.6	76.9	86.3
Adjustments for:	139.7	210.2	167.4
<i>Depreciation and amortisation</i>	125.6	163.7	122.4
<i>Changes in provisions and impairments</i>	-7.6	2.3	10.7
<i>Other adjustments in the result</i>	21.7	44.1	34.2
Changes in working capital	-2.4	-129.5	-209.6
<i>Changes in operating working capital</i>	5.4	-244.0	-303.9
· <i>Inventories</i>	-30.8	26.8	-33.9
· <i>Trade debtors</i>	-79.7	4.0	-99.8
· <i>Trade creditors</i>	115.9	-274.8	-170.3
<i>Others</i>	-7.7	114.5	94.3
Other cash-flow from operating activities	-56.2	-140.1	-116.4
<i>Income tax</i>	-29.4	-94.5	-81.9
<i>Financial expenses</i>	-26.8	-45.6	-34.5
NET CASH-FLOW FROM OPERATING ACTIVITIES	153.7	17.4	-72.4
Payments for investments on fixed assets	-96.6	-67.5	-48.8
<i>Others</i>	-0.7	-0.1	-1.1
NET CASH-FLOW FROM INVESTING ACTIVITIES	-97.3	-67.6	-50.0
NET CASH-FLOW GENERATED	56.5	-50.2	-122.4
Acquisition of treasury shares	0.0	-0.1	-0.1
Dividends paid to shareholders and minorities	-26.8	-47.8	-47.8
Changes in net debt	99.7	-177.7	-83.1
<i>Changes in bank debt/private placement</i>	93.5	-163.4	-67.6
<i>Conversion differences</i>	6.2	-14.3	-15.5
Attributable to minority interests	0.0	0.0	0.0
<i>Others</i>	0.7	0.3	0.2
NET CASH-FLOW FROM FINANCING ACTIVITIES	73.6	-225.3	-130.8
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	130.0	-275.4	-253.2
Opening cash and cash equivalents	480.0	738.4	738.4
Effect of the exchange rate fluctuations on cash held	-3.9	17.0	13.2
CLOSING CASH AND CASH EQUIVALENTS	606.1	480.0	498.4

Positive
Cash Flow

Investments in
NAS and
Acerinox Europa

CASH FLOW 2008-2015

Million EUR

	2008	2009	2010	2011	2012	2013	2014	2015	Total
CASH FLOW GENERATED	554	208	337	490	568	261	47	20	2,487
CAPEX	328	228	234	181	151	162	77	68	1,430
RETURN TO SHAREHOLDERS	242	116	112	112	112	47	56	48	845
NET DEBT REDUCTION	-16	-136	-9	197	305	52	-86	-95	212

NAS: Bright Anneal and ZM lines investments

- 116 million euros
- Start up: first half 2017
- Payback: <5 years
- Goals:
 - enter into the BA market in the United States
 - Increase NAS capacity utilization
- Applications: household appliances, cutlery, trucks, fireplaces...



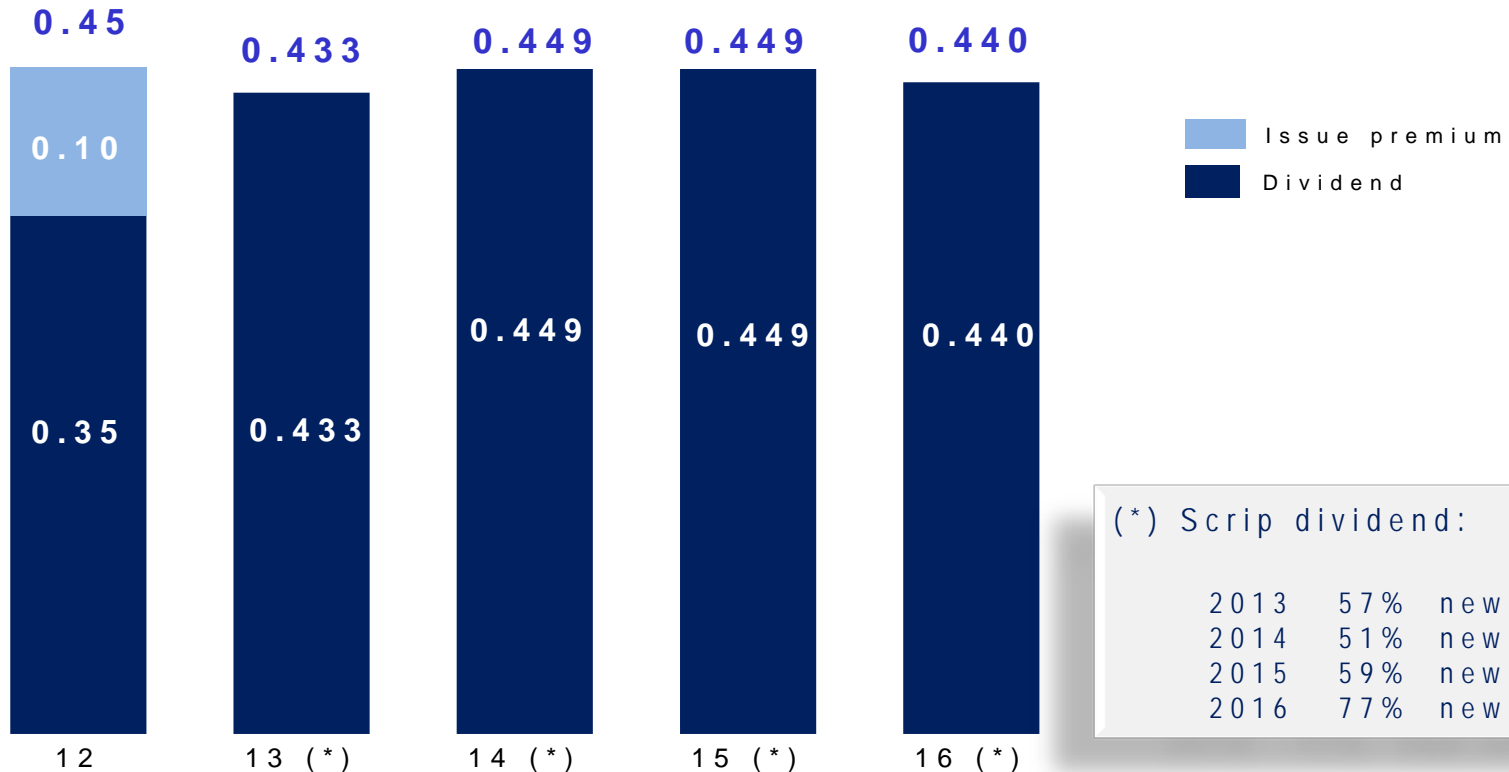
Acerinox Europa: AP and ZM lines investment



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

RETURN TO SHAREHOLDERS

Euros/share



In 2016, the scrip dividend was well accepted by shareholders once again

Shareholders representing 77% of share capital chose to receive the dividend in new shares

IMPROVEMENT PLANS



Since 2008:

FIXED COSTS: 110 MILLION EUR

Personal expenses 54 million EUR

Maintenance 45 million EUR

Others 11 million EUR

VARIABLE COSTS: EXCELLENCE PLAN

	TARGET ACHIEVED:	
2009-2010 Excellence Plan I	73%	97 Million EUR
2011-2012 Excellence Plan II	59%	52 Million EUR
2013-2014 Excellence Plan III	88%	53 Million EUR
2015-2016 Excellence Plan IV	Up to June 2016 71%	Up to June 2016 48 Million EUR

EXCELLENCE PLAN V: 2017-2018

5 Blocks: Operations, Working Capital, Personnel, Business and Supply

Recurrent saving of 50 million euros is expected

INTERNAL BENCHMARKING

IMPORTANT MANAGEMENT TOOL

PART OF ACERINOX CULTURE

TARGET: REDUCE COSTS

REALISTIC TARGETS

We found new levels of efficiency...

	2007	2014
Melting prod (Mt)	2,310	2,325
EBITDA %	9.5	10.4
Price (EUR/Mt)	1,350	1,107
Price (USD/Mt)	1,634	1,402

**In 2014 we achieved better EBITDA % than in 2007
with similar tons but lower base prices (± 240 EUR-USD/Mt)**
(excluding raw materials distortion)

... and keep on improving

Sustainable CAPEX  High added value product

Improve efficiency  Excellence Plan V

Sustainable dividends

Debt optimization

Focus on cash generation

Keeping an eye on opportunities that contribute to improve our efficiency



FOCUS ON VALUE



ACERINOX

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