PRESS RELEASE
27th October 2010

Results up to 30th September 2010

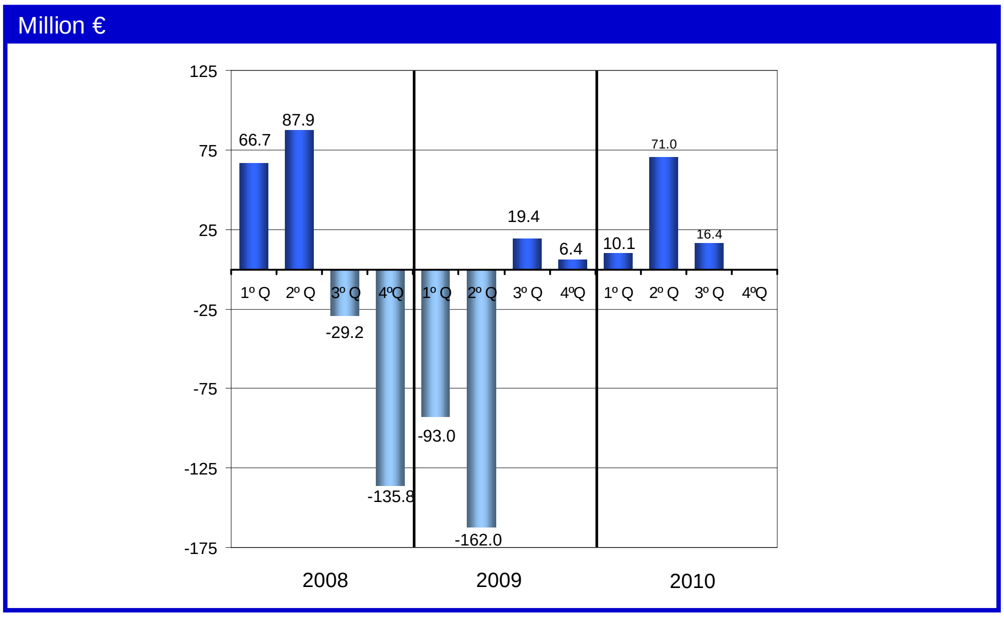
- **ACERINOX GROUP HAS OBTAINED IN THE FIRST NINE MONTHS OF THE YEAR 2010 A RESULT AFTER TAXES AND MINORITIES OF 98 MILLION EUROS, AGAINST THE 236 MILLION EUROS IN LOSSES IN THE SAME PERIOD OF THE YEAR 2009**

- **THE QUARTERLY PROFIT AFTER TAXES AND MINORITIES OF 16 MILLION EUROS, MEANS THE FIFTH CONSECUTIVE QUARTER, TO OBTAIN PROFITS, IN SPITE OF THE UNFAVOURABLE ECONOMIC CONDITIONS. WE EXPECT TO MAINTAIN THE POSITIVE SIGN OF THE RESULTS IN THE FOURTH QUARTER.**

- **THE RENOVATION PLAN FOR THE MANAGEMENT TEAM HAS BEEN FULFILLED WITH THE APPOINTMENTS OF THE CEO, GENERAL MANAGER AND COMMERCIAL DIRECTOR**

- **THE EXECUTION OF THE STRATEGIC PLAN ADVANCES WITH THE APPROVAL OF THE SECOND PHASE OF INVESTMENTS IN BAHRU STAINLESS, MALAYSIA, WICH MEANS AN AMOUNT OF 310 MILLION DOLLARS**

RESULTS AFTER TAXES AND MINORITIES. ACERINOX GROUP



Raw Materials

After the price reduction of the main raw materials during the second quarter, the Nickel price in the LME has experienced a 20% appreciation in the third quarter, in line with other listed metals. This appreciation will have a positive result in the alloy surcharge of the fourth quarter of the year.

OFFICIAL NICKEL PRICE IN THE L.M.E.
(Years 2009 – 19 October 2010)

Markets

The fall in the alloy surcharge, together with the seasonal correction in this quarter, has slowed down the order entry in all markets.

The uncertainty over the general economic reactivation, is also transferred to our market, generating small cycles which affect consumption and difficult the consolidation of prices and orders.

Facing this situation, Acerinox has developed processes to make more flexible all the supply chain.

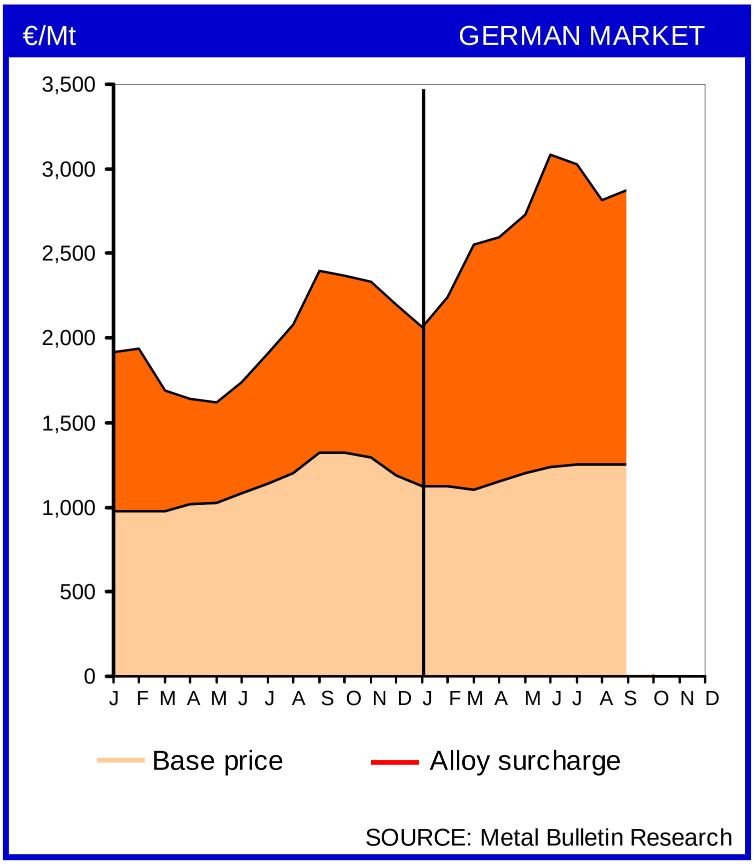
- ### Europe

The seasonal factor, which is particularly marked in Europe, has been however strengthened in this quarter due to the same factors mentioned before.

Only from mid September, we have experienced light symptoms in market reactivation, which have been supported with the announcements of the alloy surcharge increase.

STAINLESS STEEL COLD ROLLED SHEET PRICES

AISI. 304 2.0 mm (Years 2009-2010)

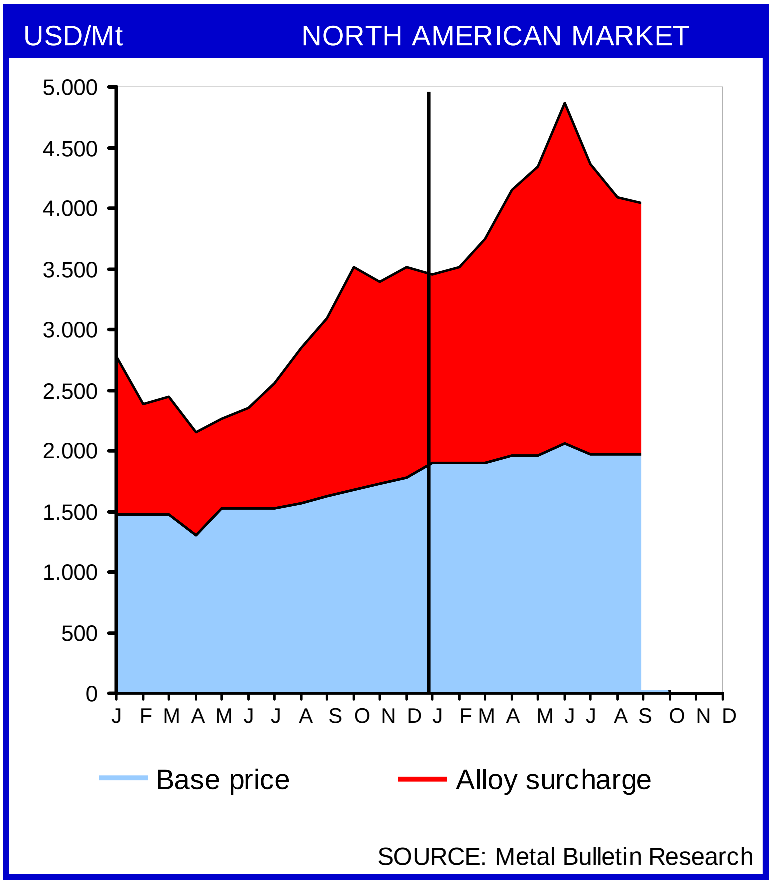


- ## America

The American market has maintain a better behaviour than the European one, beginning in August a reactivation which has allowed to consolidate the base price. Our subsidiary North American Stainless (NAS) has experienced a considerable increases in its order book.

STAINLESS STEEL COLD ROLLED SHEET PRICES

AISI. 304 2.0 mm (Years 2009-2010)

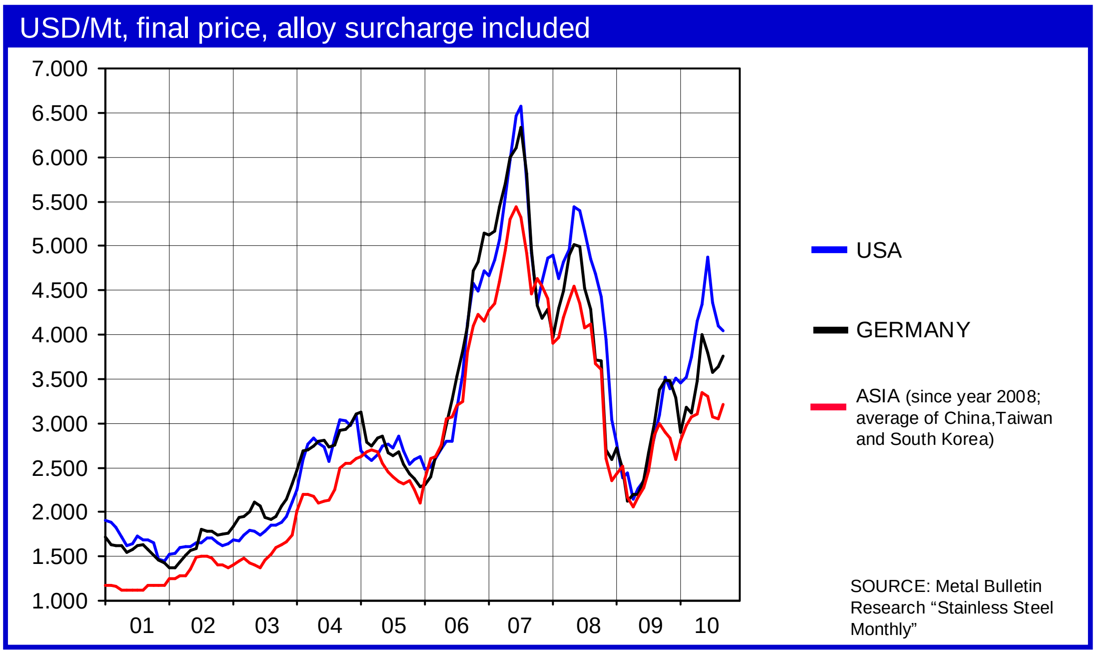


NAS's leadership in the NAFTA market has also allowed us to benefit from the improvement in the North American market.

• Asia

The Asian market has experienced an improvement in activity since the month of September, which has allowed to transfer the increase of raw material costs.

STAINLESS STEEL COLD ROLLED SHEET PRICES
AISI. 304 2.0 mm (2001 – September 2010)

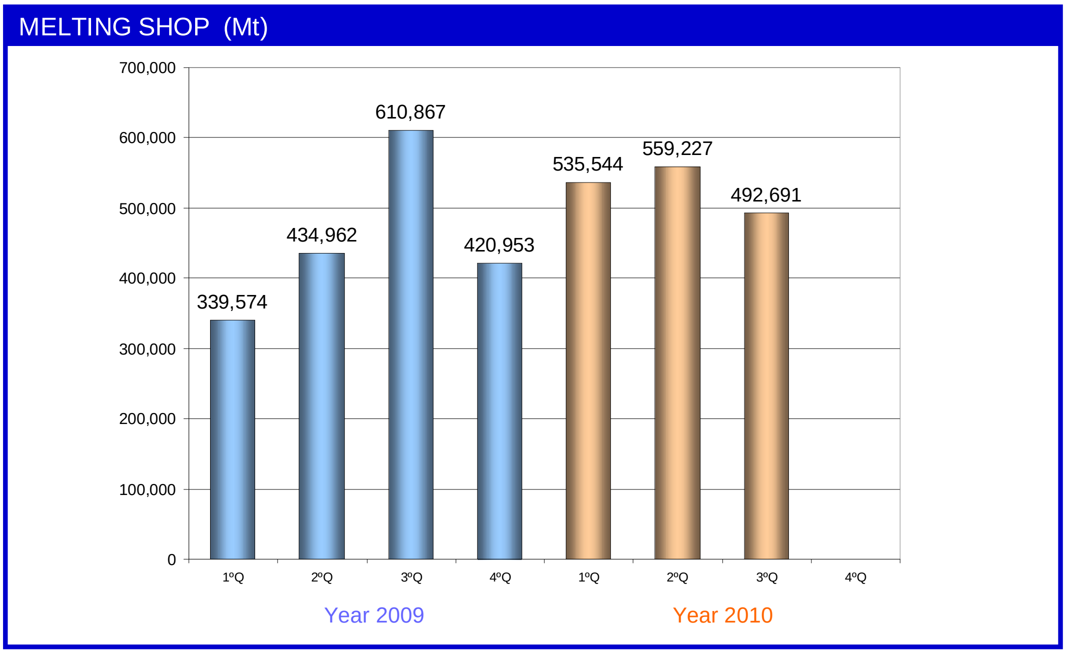


Production

Thousand Mt	2010 1Q	2Q	3Q	4Q	Accumulated	2009 Jan - Sep
Melting shop	535.5	559.2	492.7		1,587.5	1,385.4
Hot rolling shop	461.6	489.8	416.8		1,368.2	1,224.7
Cold rolling shop	319.3	366.8	309.1		995.2	777.2
Long product (Hot rolling)	44.1	60.9	53.7		158.8	104.2

In the first nine months of the year, the melting production amounted to 1.6 million Mt, which is 14.6% higher than in the same period of 2009.

EVOLUTION OF ACERINOX GROUP PRODUCTIONS



Results

The Acerinox Group has obtained in the first nine months of the year 2010 a profit after taxes and minorities of 97.5 million euros, against the 235.6 million euros of losses in the same period of 2009.

The quarterly profit after taxes and minorities, 16 million euros, means that it is the fifth consecutive quarter with profits, which demonstrate the degree of competitiveness reached by the Acerinox Group, in spite of the unfavourable economic conditions. It is also noticeable, the success in the geographical diversity strategy, in addition to the improvements carried out with the Excellence Plan.

Profit and Loss Account of Acerinox Consolidated Group

				January-September		
Million €	1º Q. 10	2º Q. 10	3º Q.10	2010	2009	Variation
Net sales	**999.39**	**1,172.80**	**1,176.40**	**3,348.59**	**2,210.39**	**51.5%**
Gross margin	262.56	382.62	290.74	935.92	295.17	217.1%
% over sales	26.3%	32.6%	24.7%	27.9%	13.4%	
EBITDA (*)	**61.03**	**172.11**	**64.22**	**297.37**	**-219.87**	**----**
% over sales	6.1%	14.7%	5.5%	8.9%	-9.9%	
Gross operating result	61.03	151.49	74.22	286.74	-245.56	----
% over sales	6.1%	12.9%	6.3%	8.6%	-11.1%	
EBIT	**25.59**	**112.51**	**37.35**	**175.45**	**-338.36**	**----**
% over sales	2.6%	9.6%	3.2%	5.2%	-15.3%	
Result before taxes	16.01	103.51	24.13	143.64	-363.37	----
Result after taxes and minorities	**10.11**	**71.00**	**16.39**	**97.50**	**-235.61**	**----**
Depreciation	35.36	37.92	36.61	109.89	91.55	20.0%
Net cash flow	45.47	108.93	53.00	207.39	-144.06	----

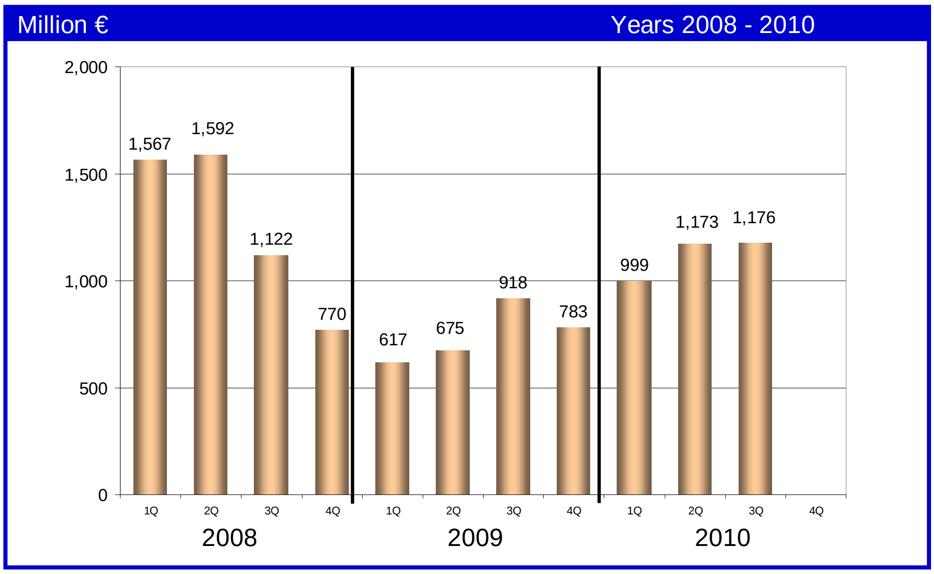
(*) EBITDA is defined as the operating result plus depreciation and provisions

The EBITDA generated up to September 2010 amounts to 297 million euros, which against the negative EBITDA of the same period of 2009, –220 million euros, reflects the significant improvement of margins in this period.

The EBITDA generated in the third quarter amounts to 64.2 million euros. The inventories adjustment at net realizable value at September 30th amounts to 11 million euros.

Net sales obtained in the period, amount to 3,349 million euros, with an increase of 51.5% against the amount registered in the first nine months of 2009.

EVOLUTION OF ACERINOX GROUP NET SALES



In the geographical distribution of sales, the percentage increase of the American market is to be highlighted, due to the higher economic activity in this area.

The strategic success of the Group's globalisation, which began in the year 1990 with the construction of North American Stainless and was followed with the purchase of 64% (now 76%) of Columbus Stainless in 2002, together with the vast commercial network developed, has allowed the Acerinox Group to increase its participation in those markets that are more and more active every day. This situation will be strengthened with the start up of the new Mill in Malaysia of Bahru Stainless.

GEOGRAPHICAL DISTRIBUTION OF ACERINOX GROUP NET SALES

January - September 2010

	Jan - Sep 2010	Year 2009
AFRICA	6.0%	5.4%
AMERICA	44.5%	35.8%
ASIA	8.9%	17.7%
EUROPA	40.1%	40.8%
OCEANIA	0.5%	0.3%
TOTAL	100.0%	100.0%

The spanish market assumes 9.5% of the total Group Sales.

Condensed Balance Sheet of Acerinox Consolidated Group

ASSETS

Million €	Sep-10	Jun-10	Mar-10	2009	Variation
Non-current assets	**2,256.21**	**2,280.71**	**2,091.77**	**2,002.06**	**12.7%**
Current assets	**2,142.09**	**2,269.59**	**1,849.54**	**1,615.72**	**32.6%**
- Inventories	1,403.61	1,624.31	1,137.34	1,154.45	21.6%
- Debtors	599.06	527.28	532.88	371.19	61.4%
Trade debtors	*574.12*	*487.48*	*456.54*	*304.17*	*88.7%*
Other debtors	*24.94*	*39.80*	*76.35*	*67.01*	*-62.8%*
- Cash and other current a:	139.42	118.00	179.32	90.09	54.8%
TOTAL ASSETS	**4,398.30**	**4,550.29**	**3,941.31**	**3,617.79**	**21.6%**

LIABILITIES

Million €	Sep-10	Jun-10	Mar-10	2009	Variation
Equity	**1,969.43**	**2,017.95**	**1,852.82**	**1,752.52**	**12.4%**
Non-current liabilities	**924.67**	**963.33**	**833.05**	**800.07**	**15.6%**
- Interest-bearing loans and borrowings	647.53	667.11	564.76	543.18	19.2%
- Other non-current liabilities	277.14	296.21	268.29	256.89	7.9%
Current liabilities	**1,504.20**	**1,569.01**	**1,255.44**	**1,065.19**	**41.2%**
- Interest-bearing loans and borrowings	746.59	526.86	546.19	604.63	23.5%
- Trade creditors	486.97	689.22	500.46	306.15	59.1%
- Other current liabilities	270.64	352.93	208.79	154.42	75.3%
TOTAL EQUITY AND LIABILITIES	**4,398.30**	**4,550.29**	**3,941.31**	**3,617.79**	**21.6%**

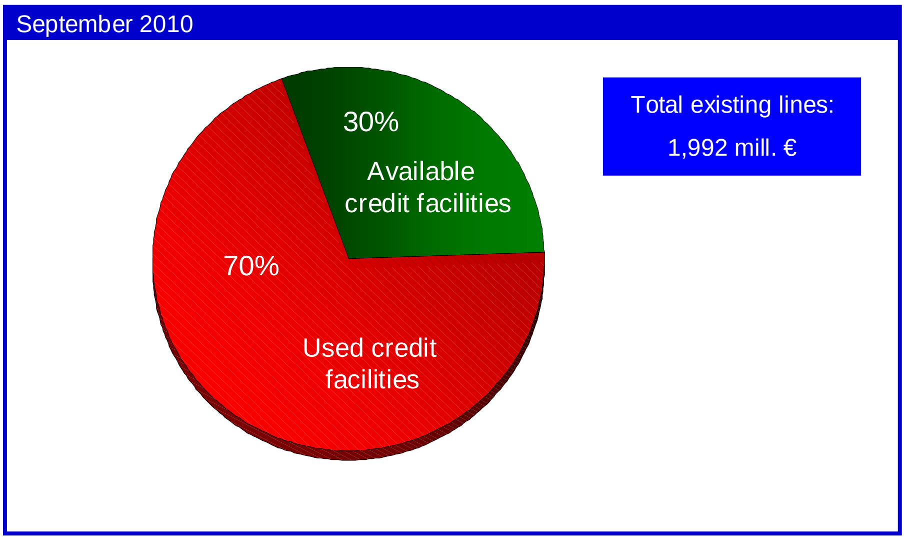
Among the balance magnitudes the decrease of inventories is to be highlighted in the third quarter for an amount of 221 million euros, which will continue in the fourth quarter.

The Group's working capital, 1,491 million euros, has increased in 4.8% compared to that registered at June 30th and 29% with that registered in December 2009. This increase in the working capital has required higher financing needs, increasing the Group financial net debt in 18.8% in the whole Year.

The Group financial net debt in the third quarter of 2010, 1,276 million euros, will be reduced in the following months.

The whole of credit lines in force as of 30th September 2010, amounts to 1,992 million euros. Of the total of lines, 30% are still available.

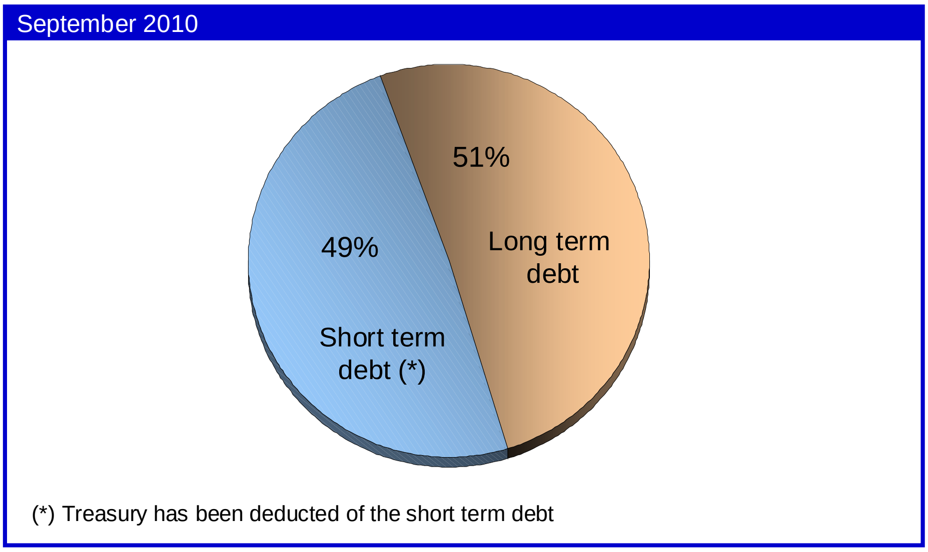
CURRENT CREDIT LINES IN ACERINOX GROUP



The Group financial strength and the diversity of its banking pool is allowing to overcome the international credit crisis.

Of the total debt, 51% is at long term, which will allow us to dispose of sufficient liquidity for financing, even if the effects of the world economic crisis should stretch out further than expected.

DISCLOSURE OF THE SHORT AND LONG TERM DEBT WITH FINANCIAL INSTITUTIONS



The results obtained up to date as well as the perspectives for the fourth quarter, will allow us to fulfil the financial covenants stipulated for the year for part of the long term debt.

CONDENSED CASH-FLOW STATEMENT
CONSOLIDATED GROUP

Million euros

	Jan-Sep 10	Year 2009	Jan-Sep 09
Result before taxes	143.6	-348.6	-363.4
Adjustments for:	156.1	46.6	0.2
Depreciation and amortisation	109.9	125.1	91.5
Changes in provisions and impairments	5.4	-118.9	-125.2
Other adjustments in the result	40.8	40.5	33.9
Changes in working capital	-187.9	497.6	601.9
Changes in operating working capital (1)	-338.3	285.4	314.1
Others	150.4	212.1	287.8
Other cash-flow from operating activities	-21.7	-7.0	-7.4
Income tax	11.2	37.2	27.1
Financial expenses	-32.9	-44.2	-34.5
NET CASH-FLOW FROM OPERATING ACTIVITIES	**90.1**	**188.6**	**231.3**
Payments for investments on fixed assets	-164.9	-230.4	-175.3
Others	-7.9	1.9	1.8
NET CASH-FLOW FROM INVESTING ACTIVITIES	**-172.8**	**-228.4**	**-173.5**
NET CASH-FLOW GENERATED	**-82.7**	**-39.8**	**57.9**
Acquisition of treasury shares	0.0	-3.3	-3.3
Dividends payed to shareholders and minorities	-87.3	-112.2	-87.3
Changes in net debt	205.1	108.9	41.5
Changes in bank debt	246.3	129.3	54.9
Conversion differences	-41.2	-20.4	-13.4
Attributable to minority interests	0.0	38.2	38.2
Others	0.2	1.9	1.0
NET CASH-FLOW FROM FINANCING ACTIVITIES	**118.0**	**33.5**	**-9.8**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**35.4**	**-6.3**	**48.1**
Opening cash and cash equivalents	73.3	79.7	79.7
Effect of the exchange rate fluctuations on cash held	9.5	0.0	-0.6
CLOSING CASH AND CASH EQUIVALENTS	**118.2**	**73.3**	**127.1**

(1) Inventories + trade debtors - trade creditors

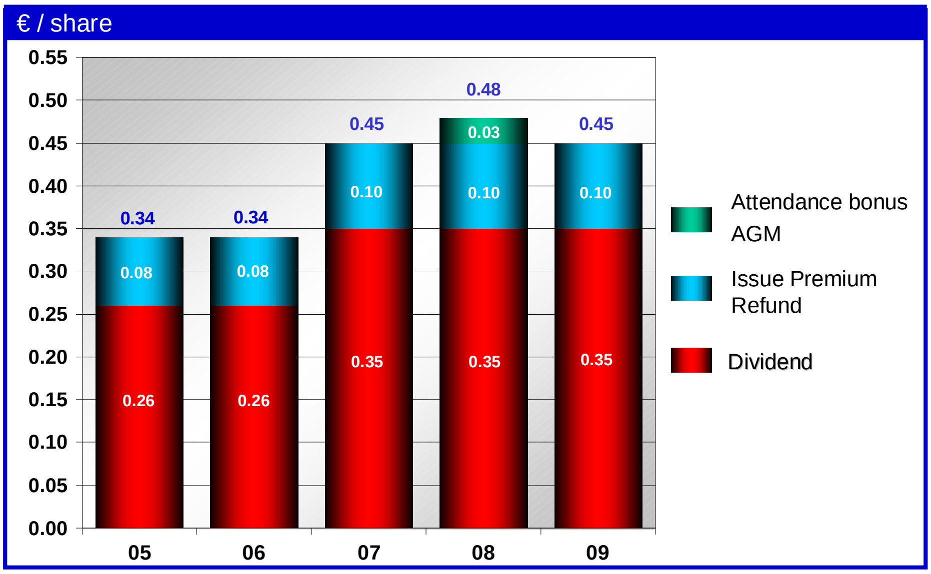
The net cash flow from operating activities generated, 90.1 million euros is lower than that obtained in the first nine months of the year 2009, 231.3 million euros, which was obtained in the conditions of market collapse and production reductions.

Any case, the Group financial strength allows us to carry out with the Strategic Plan, and also to carry out as scheduled the second phase of investments in Malaysia for Bahru Stainless, as well as to maintain the dividend distributed in previous years.

Refund to the Shareholder

The General Shareholder Meeting, held on June 8th, 2010 approved the refund of 0.35 euros per share, which was paid the last July 5th 2010, as well as the issue premium refund of 0.10 euros per share which was paid on October 5th 2010. The total refund to the shareholders in the year has been of 0.45 euros per share, the same amount which was paid in the years 2007, 2008 and 2009.

RETURN TO SHAREHOLDERS



Bahru Stainless (Malaysia)

The construction works of the first phase of the Factory in Malaysia, Bahru Stainless advance according to schedule. In the fourth quarter of 2010 the finishing mill will start up.

The Cold Rolling Mill is expected to start up in the summer of 2011.

The main equipments for the Malaysian mill investment second phase are being awarded for a total amount of 310 million dollars.

The total investments approved for phase I and II amount to 680 million dollars.

Commercial Network

Continuing with the Strategic Plan of strengthening the Commercial network, the new Warehouse in Bolonia (Italy) is already working and the cutting lines in the Warsaw Service Centre (Poland) are being set up.

The constitution of a new sales company in Turkey has been approved, in order to channel the Group Sales in this market, which adds to the share that Acerinox already has of 25% of the Equity of the Service Center of Betinoks.

It has also been settled to constitute a company in Colombia as a joint venture, for the construction of a Service Centre in Barranquilla, Colombia.

The new office of Acerinox Indonesia is already running, and is located in Yakarta.

Senior Management

The Renovation Plan of the Management Team has been completed, with the appointments of the CEO, Managing Director and Commercial Director.

Acerinox, S.A. Board of Directors in its meeting held on July 27th 2010, resolved to appoint as Chief Executive Officer, Mr. Bernardo Velázquez Herreros, previous General Manager of the Acerinox Group, replacing Mr. Rafael Naranjo Olmedo (Seville, 1944) who continues as Chairman of Acerinox, S.A. Board of Directors.

Mr. Bernardo Velázquez, Industrial Engineer (Madrid, 1964), joined Acerinox in 1990. In 2005 he was appointed Planning Director and member of the Management Team. In the year 2008 he took on the position of Managing Director of the Acerinox Group.

This appointment follows the recommendation of the Corporate Governance which aim to separate the positions of Chairman and Chief Executive Officer. Moreover, this is carried out according to the succession plan designed three years ago, aimed to the continuity, stability and strengthening of the Senior Management.

In the Executive Committee held last September 28th 2010 , Mr. Antonio Fernández Pacheco was appointed General Manager of ACERINOX, S.A. replacing Mr. Bernardo Velázquez Herreros, and Mr. Oswald Wolfe Gómez was appointed Commercial Director, replacing Mr. José Riestra Pita (Madrid, 1946), who will now hold the position of Assistant Director to the Chairman. The above two appointments of Managing Director and Commercial Director will take effect as from October 1st, 2010.

Mr. Antonio Fernández Pacheco (Madrid, 1951) joined Acerinox in 1977 and up till now, held the position of President of North American Stainless. In replacement, Mr. Cristobal Fuentes (Madrid 1956) previous Director of the NAS mill, will now hold the position of President in North American Stainless.

Mr. Oswald Wolfe Gómez (Madrid, 1960) joined Acerinox in 1984 and held the position of Deputy Commercial Director.

Outlook

Despite of the recent correction of the Nickel price and the traditional market weakness in the month of December, the order book makes us expect a better fourth quarter than the third one, which means the sixth consecutive quarter in profits.

The level of stocks both in customers and within the Group are low. This fact, together with the improvements achieved within the Group in the past years will allow us to benefit of the market recovery process expected for the year 2011.

Figures by companies

Thousand Mt	MELTING PRODUCTION					
	1st Q. 10	2nd Q. 10	3rd Q. 10	4th Q. 10	Year 2010	% over 2009
Acerinox, S.A.	172.9	211.5	149.9		534.4	29.3%
NAS	228.8	228.5	211.8		669.1	24.7%
Columbus	133.9	119.2	130.9		384.0	-11.9%
Acerinox Group	**535.6**	**559.2**	**492.7**		**1,587.5**	**14.6%**

Million €	NET SALES					
	1st Q. 10	2nd Q. 10	3rd Q. 10	4th Q. 10	Year 2010	% over 2009
Acerinox Group	**999.4**	**1,172.8**	**1,176.4**		**3,348.6**	**51.5%**
Acerinox, S.A.	302.1	459.6	386.9		1,148.6	59.3%
NAS (million USD)	591.2	714.5	673.7		1,979.4	74.8%
Columbus	201.2	227.5	221.1		649.9	17.7%

Million €	PROFIT AFTER TAXES AND MINORITIES					
	1st Q. 10	2nd Q. 10	3rd Q. 10	4th Q. 10	Year 2010	% over 2009
Acerinox Group	**10.1**	**71.0**	**16.4**		**97.5**	**----**
Acerinox, S.A.	10.8	37.1	-4.5		43.4	----
NAS (million USD)	26.7	52.6	26.5		105.8	----
Columbus	-0.1	1.5	0.9		2.2	----

Main economic and financial magnitudes

CONSOLIDATED GROUP	Year 2010 1st Q.	2nd Q.	3rd Q.	4th Q.	Accumulated	Year 2009 Jan - Sep
Production (Mt.)						
- Melting shop	535,614	559,227	492,691		**1,587,532**	1,385,403
- Hot rolling shop	461,643	489,776	416,814		**1,368,234**	1,224,735
- Cold rolling shop	319,344	366,808	309,083		**995,235**	777,188
- Long product (hot rolling)	44,095	60,941	53,722		**158,757**	104,169
Net sales (million €)						
Group	999.39	1,172.80	1,176.40		**3,348.59**	2,210.39
- Acerinox, S.A.	302.15	459.58	386.86		**1,148.59**	721.18
- NAS (million USD)	591.20	714.51	673.74		**1,979.45**	1,132.35
- Columbus	201.19	227.54	221.14		**649.87**	552.30
EBITDA (*) (million €)	61.03	172.11	64.22		**297.37**	-219.87
- % over sales	6.1%	14.7%	5.5%		**8.9%**	-9.9%
EBIT (million €	25.59	112.51	37.35		**175.45**	-338.36
- % over sales	2.6%	9.6%	3.2%		**5.2%**	-15.3%
Result before taxes and minorities (million €)	16.01	103.51	24.13		**143.64**	-363.37
Result after taxes and minorities (million €)	10.11	71.00	16.39		**97.50**	-235.61
Depreciation (million €)	35.36	37.92	36.61		**109.89**	91.55
Net cash flow (million €)	45.47	108.93	53.00		**207.39**	-144.06
Number of empoyees	7,347	7,454	7,442		**7,442**	7,345
Net financial debt (million €)	954.97	1,121.05	1,275.94		**1,275.94**	946.30
Debt to equity (%)	51.5%	55.6%	64.8%		**64.8%**	53.9%
Number of shares (million)	249.30	249.30	249.30		**249.30**	249.30
Return to shareholders (per share)	0.00	0.00	0.35		**0.35**	0.35
Return to shareholders (million €)	0.00	0.00	87.26		**87.26**	87.30
Daily average shares traded (nº of shares, million)	1.31	1.36	1.03		**1.23**	1.08
Result after taxes and minorities per share	0.04	0.28	0.07		**0.39**	-0.95
Net cash flow per share	0.18	0.44	0.21		**0.83**	-0.58

(*) EBITDA is defined as the operating result plus depreciation and provisions