



Results as of 30 September 2017

Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails



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Presentation of the results for the third quarter of 2017 via webcast and conference call

Acerinox will hold a presentation for the results of the third quarter of 2017, in English, on 31 October, at 10.00 am CET, conducted by the CFO, Mr Miguel Ferrandis, and accompanied by the Investor Relations team.

To Access the presentation via conference call you can use one of the following numbers 5-10 minutes before the event begins:

Calls from the United Kingdom: +44 2030432440

Calls from Spain and the rest of the world: +34 914142021

These numbers must be followed by the pincode below: 90652016#

The presentation can be followed from the website of Acerinox (www.acerinox.com), in the section of Shareholders and Investors.

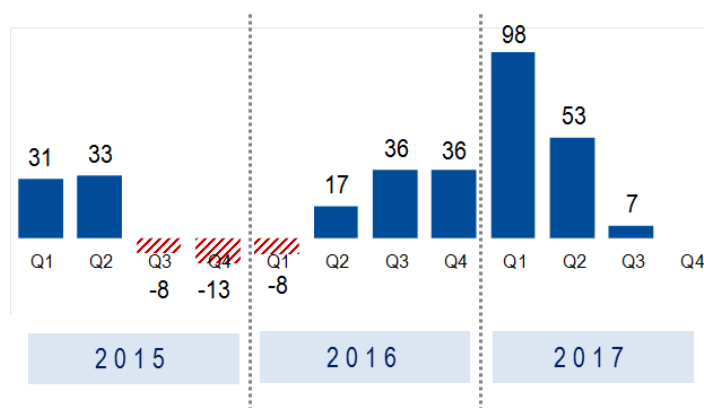
The presentation and all the audio-visual material will be available on the Acerinox website.

Results as of 30 September 2017

- Acerinox has obtained profits totalling 157 million Euros after taxes and minority interests, compared with the figure of 44 million Euros for the first nine months of 2016
- The decline in raw materials during the third quarter affected all the markets, leading prices down. Quarterly results after taxes and minority interests were 7 million Euros
- Melting production, totalling 1,887,385 tonnes, rose by 1% in comparison with January-September 2016
- The Group's cumulative turnover, 3,511 million Euros, increased by 20% set against the same period in the previous year. Net sales in the third quarter was 6% higher than in the third quarter of 2016
- An EBITDA totalling 370 million Euros was generated in the first nine months, a figure 66% higher than that recorded in January-September 2016. It stood at 53 million Euros in the third quarter, 49% lower than in the same period of 2016
- The operating cash flow totalled 228 million Euros
- The payment for investments undertaken in the period amounted to 141 million Euros
- Acerinox distributed a cash dividend of 0.45 Euros per share in July, a total of 124 million Euros
- The Group's net financial debt as of 30 September stood at 697 million Euros, compared with 620 million Euros on 31 December 2016. It has increased slightly over the year following the payments made and the greater value of our stocks
- The situation has normalized in the fourth quarter, enabling us to address the year's end with optimism

Results after taxes and minority interests

Millions of euros



Stainless Steel Market

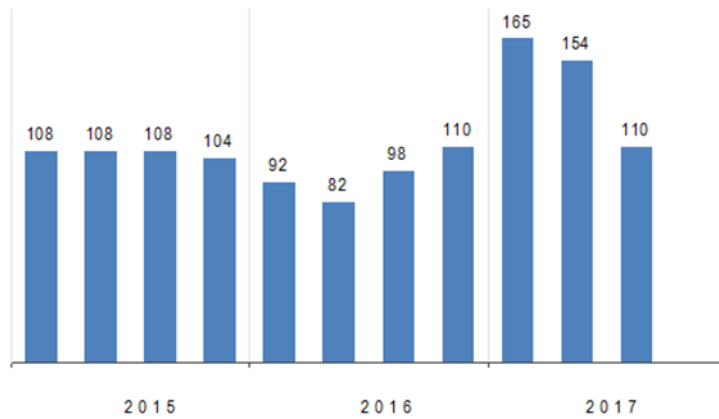
World stainless steel production increased by 5% in the first half of the year, according to the latest available data provided by the International Stainless Steel Forum (ISSF). The increased production in all regions is worth highlighting.

The stainless steel market in the third quarter was marked by falls in the prices of raw materials.

The price of ferrochrome in the third quarter stood at 110US¢/Lb, equivalent to a 29% decrease from the figure of 154US¢/Lb recorded in the second quarter.

Average quarterly price of ferrochrome

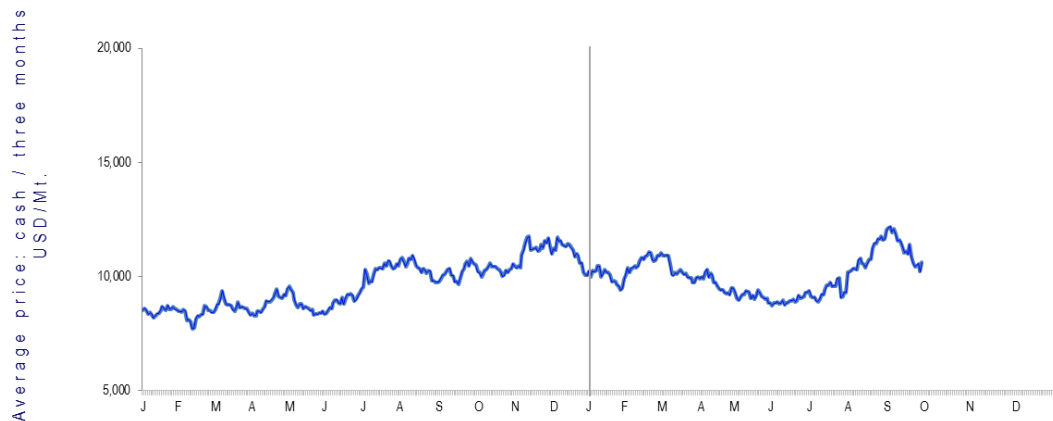
US¢/Lb. Cr



This drop, together with the adjustment of the nickel price throughout June and the first half of July, led to sharp falls in alloy surcharges and pressure the base prices and sales volumes.

Official price of nickel on the L.M.E.

2016 - September 2017



The performance of underlying demand has remained positive in all the markets.

In the **European market**, according to our estimates, apparent consumption continued to increase by +3%, in the third quarter. In major markets we can point to rises in Italy +2%, Germany +3% and Spain +5%, while France remains stagnant. Imports of hot-rolled products increased significantly, mostly from China, along with cold-rolled products from Taiwan.

The inventories were adjusted in late August and now stand at normalized levels, as we forecast in the Note accompanying our Second-Quarter Results.

Final demand remains healthy, with increases in the main sectors, according to EUROFER's estimates for the year 2017 (updated in October): car production rise by +3%, construction by +4% and white goods by +1%.

In the **United States**, the market demand for both hot and cold-rolled products remains healthy.

The final sectors continue to perform well. According to our estimates, the construction sector rose by +5% until August in comparison with the same period the previous year, while household appliances increased by +6% until September. The car sector fell by 8% from its peak levels until September.

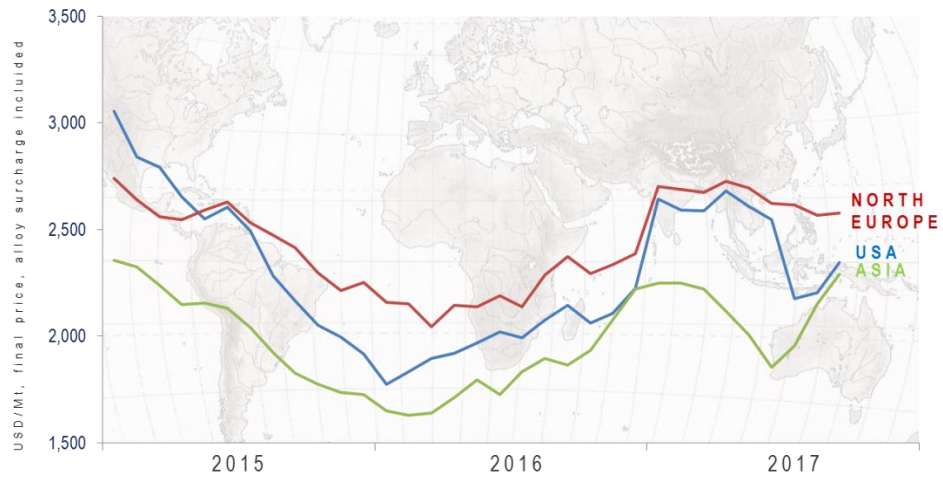
The manufacturers of equipment for the food industry maintained strong demand during the first nine months of 2017, and the indicators reflect the same trend in the fourth quarter. The above-mentioned downturn of the car sector is offset by heavy transport vehicles (tractors, vans and lorries), especially those associated with the food industry.

Inventories in the distribution sector increased slightly towards the end of the quarter as a result of the higher number of purchases, brought about by the expected increase in the alloy surcharge in September.

North American Stainless (NAS) achieved a price rise of about 80 USD per tonne for September.

South African market conditions remain very difficult and levels of sales (-8%) and activity were low throughout the third quarter, due to the situation in the country and the value of the rand.

Trade activity levels at the year end tend to be low, but this year the greater competitiveness achieved by the rand may correct this effect, as can be observed in the mining and car sectors.



Source: Platts

In **China**, the inventories at the Wuxi and Foshan warehouses remain below average. The final sectors continue to grow significantly. According to our estimates, car production is increasing by 5%, construction by 9% and household appliances by 12%.

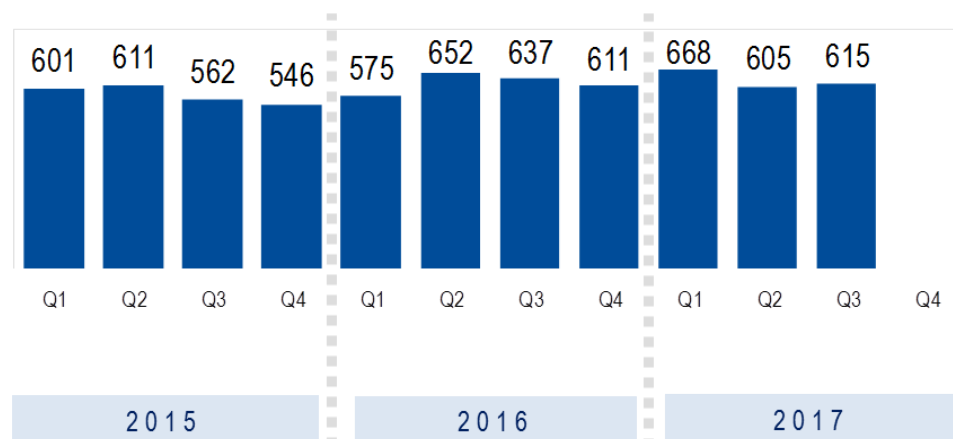
The **Malaysian** government has imposed provisional anti-dumping duties on imports of cold-rolled stainless steel from China, South Korea, Taiwan and Thailand, following the confirmation that there is sufficient evidence to continue its investigation.

Due to environmental problems, many factories in China have halted their production of graphite electrodes until they undertake the reforms enacted by their government, a factor which is significantly affecting the prices and volumes of this product.

Production

Throughout the January-September period, Acerinox's melting production, 1,887,385 tonnes, increased by 1% in comparison with the previous year.

Quarterly Melting Shop Production
Thousands of Mt



Similarly, the manufacture of hot-rolled flat products, 1,670,329 tonnes, was 1% higher than in the January-September period of 2016.

Acerinox production
Thousands of Mt

| | Thousand Mt | 2017 | | | | | 2016 | Variation (%) |
|----------------------------|-------------|-------|-------|-------|----|-------------|---------|---------------|
| | | Q1 | Q2 | Q3 | Q4 | Accumulated | Jan-Sep | |
| Melting shop | | 667.5 | 605.3 | 614.6 | | 1,887.4 | 1,864.4 | 1.2% |
| Hot rolling shop | | 592.5 | 535.4 | 542.4 | | 1,670.3 | 1,661.8 | 0.5% |
| Cold rolling shop | | 438.3 | 436.2 | 426.8 | | 1,301.4 | 1,275.1 | 2.1% |
| Long product (Hot rolling) | | 58.5 | 57.3 | 54.3 | | 170.1 | 171.6 | -0.9% |

As for cold-rolled products, 1,301,254 tonnes, they increased by 2% with respect to the first nine months of 2016.

Hot-rolled long products, 170,122 tonnes, fell by 1% over the year, still affected by the oil and gas sector, although this has already begun to recover.

Results

The accumulated results for 2017 display a clear improvement with respect to the previous year. However, the main feature this year is the variation between the quarters as a result of the volatile nature of the raw material prices and the demand for stainless steel. The trend was reversed in September and the results began to improve.

Net sales, 3,511 million Euros, increased by 20% with respect to the same period of the previous year, due to the rises in final prices in all markets, as it was possible to transfer the increases in raw material prices to the market.

Condensed Profit and Loss Account

Millions of euros

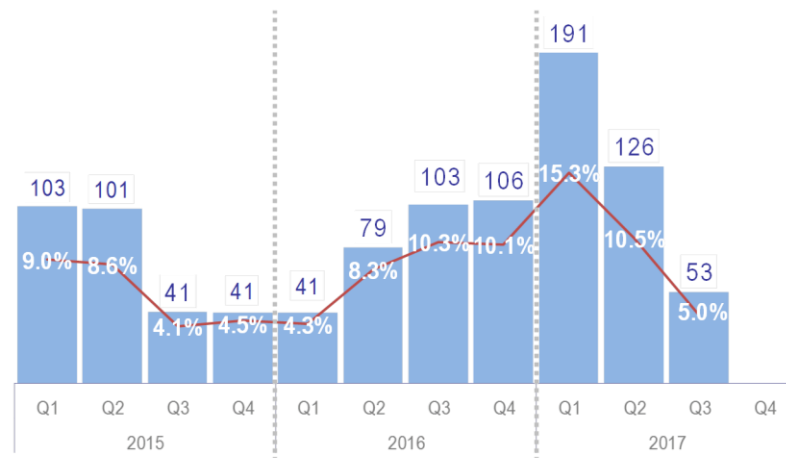
| | Q1 2017 | Q2 2017 | Q3 2017 | January- September | | |
|--|-----------------|-----------------|-----------------|--------------------|-----------------|---------------|
| | | | | 2017 | 2016 | Variation |
| Net sales | 1,252.48 | 1,191.34 | 1,067.21 | 3,511.03 | 2,914.64 | 20.5% |
| Gross operating result / EBITDA | 191.24 | 125.60 | 53.09 | 369.93 | 223.03 | 65.9% |
| % over sales | 15.3% | 10.5% | 5.0% | 10.5% | 7.7% | |
| EBIT | 146.12 | 80.89 | 12.71 | 239.72 | 96.64 | 148.1% |
| % over sales | 11.7% | 6.8% | 1.2% | 6.8% | 3.3% | |
| Result before taxes | 140.80 | 75.98 | 8.92 | 225.70 | 72.58 | 211.0% |
| Result after taxes and minorities | 97.95 | 52.80 | 6.64 | 157.39 | 44.50 | 253.7% |
| Depreciation | 45.28 | 43.88 | 40.80 | 129.96 | 125.63 | 3.4% |
| Net cash flow | 143.24 | 96.69 | 47.43 | 287.36 | 170.13 | 68.9% |

An EBITDA totalling 370 million Euros was generated, 66% higher than in the same period last year, with a sales margin of 10.5%.

Due to the decreases in alloy surcharges and base prices in all the markets, the third-quarter EBITDA was 58% lower than in the previous quarter.

Quarterly evolution of the EBITDA

Millions of euros



The profits after taxes and minority interests totalled 158 million Euros, a figure 3.5 times higher than in January-September 2016. The result after taxes and minority interests stood at 7 million Euros in the third quarter.

The Group's net financial debt stood at 697 million Euros on 30 September, compared with 620 million Euros on 31 December 2016. This increase is not significant if we bear in mind that, during the year, 141 million euros were invested, a cash dividend totalling 124 million Euros was paid out and the operating working capital increased by 39 million Euros as a result of the increase in the price of our stocks. The Group's net financial debt has also been affected by the depreciation of the Dollar, as most of Acerinox's cash investments are in the above currency.

As of 30 September, Acerinox had lines of credit amounting to 1,916 million Euros, 35% of which were available.

Condensed Balance Sheet

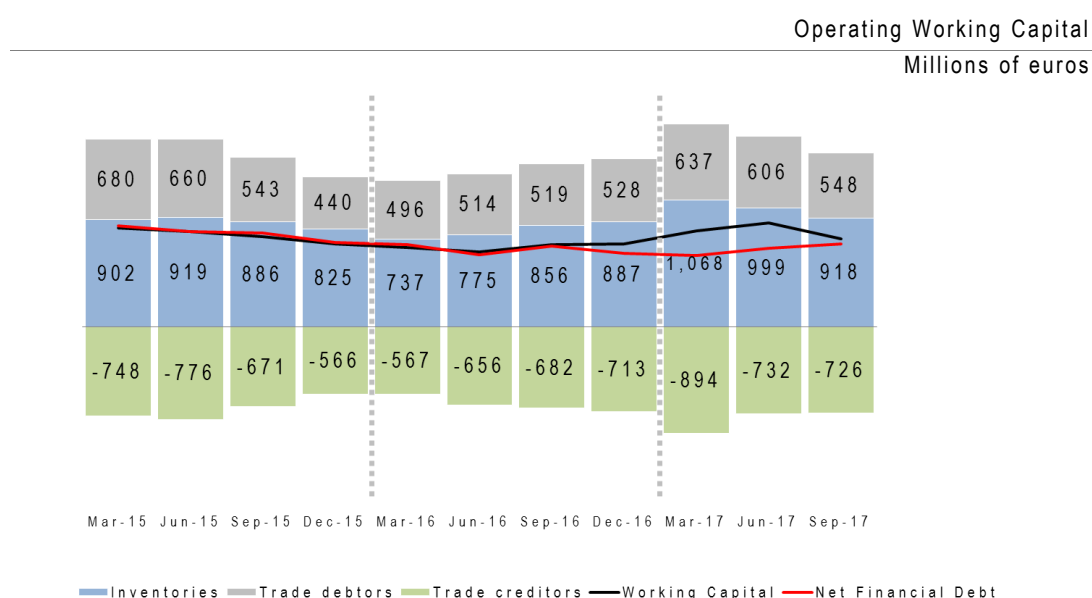
Millions of euros

| ASSETS | Sep 17 | 2016 | Variation | LIABILITIES | Sep 17 | 2016 | Variation |
|---------------------------------|-----------------|-----------------|--------------|---|-----------------|-----------------|---------------|
| Non-current assets | 2,147.04 | 2,357.53 | -8.9% | Equity | 1,917.50 | 2,168.68 | -11.6% |
| Current assets | 2,082.63 | 2,097.51 | -0.7% | Non-current liabilities | 1,201.24 | 1,191.17 | 0.8% |
| - Inventories | 918.40 | 887.42 | 3.5% | - Interest-bearing loans and borrowings | 969.63 | 936.81 | 3.5% |
| - Debtors | 599.05 | 575.51 | 4.1% | - Other non-current liabilities | 231.61 | 254.37 | -8.9% |
| Trade debtors | 547.97 | 527.79 | 3.8% | Current liabilities | 1,110.93 | 1,095.20 | 1.4% |
| Other debtors | 51.08 | 47.73 | 7.0% | - Interest-bearing loans and borrowings | 278.91 | 281.61 | -1.0% |
| - Cash and other current assets | 565.17 | 634.58 | -10.9% | - Trade creditors | 725.68 | 712.97 | 1.8% |
| | | | | - Other current liabilities | 106.34 | 100.61 | 5.7% |
| TOTAL ASSETS | 4,229.67 | 4,455.05 | -5.1% | TOTAL EQUITY AND LIABILITIES | 4,229.67 | 4,455.05 | -5.1% |

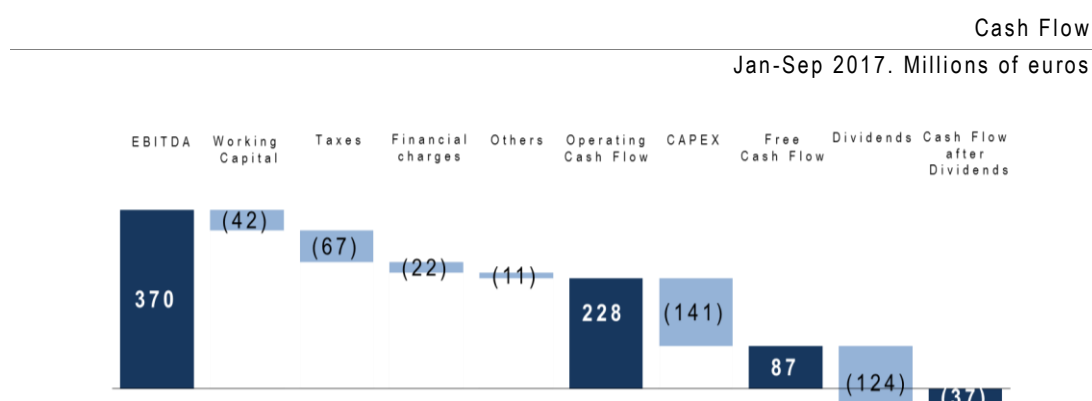
The operating working capital stood at 741 million Euros, compared with 702 million Euros on 31 December 2016.

| Million of euros | September 2017 | December 2016 |
|------------------------|----------------|---------------|
| Inventories | 918 | 887 |
| Trade debtors | 548 | 528 |
| Trade creditors | 726 | 713 |
| Working Capital | 741 | 702 |

We should mention the significant fall in operating working capital, 132 million Euros, undertaken during the third quarter.



As a result of the above, the operating cash flow totalled 228 million Euros, enabling the Group to maintain the pace of its investments, 141 million Euros, and the payment of dividends totalling 124 million Euros.



Condensed Statement of Cash Flow

Millions of euros

| | Jan - Sep 2017 | Jan - Dec 2016 | Jan - Sep 2016 |
|--|-------------------|-------------------|-------------------|
| Result before taxes | 225.7 | 127.9 | 72.6 |
| Adjustments for: | 132.9 | 215.1 | 139.7 |
| Depreciation and amortisation | 130.0 | 169.8 | 125.6 |
| Changes in provisions and impairments | 2.3 | -8.4 | -7.6 |
| Other adjustments in the result | 0.7 | 53.7 | 21.7 |
| Changes in working capital | -42.0 | 16.3 | -2.4 |
| Changes in operating working capital | -38.5 | -4.1 | 5.4 |
| - Inventories | -31.0 | -62.5 | -30.8 |
| - Trade debtors | -20.2 | -88.3 | -79.7 |
| - Trade creditors | 12.7 | 146.7 | 115.9 |
| Others | -3.5 | 20.3 | -7.7 |
| Other cash-flow from operating activities | -88.2 | -90.5 | -56.2 |
| Income tax | -66.5 | -55.8 | -29.4 |
| Financial expenses | -21.7 | -34.6 | -26.8 |
| NET CASH-FLOW FROM OPERATING ACTIVITIES | 228.4 | 268.8 | 153.7 |
| Payments for investments on fixed assets | -140.7 | -156.4 | -96.6 |
| Others | -0.3 | -0.9 | -0.7 |
| NET CASH-FLOW FROM INVESTING ACTIVITIES | -141.0 | -157.3 | -97.3 |
| NET CASH-FLOW AFTER INVESTING ACTIVITIES | 87.4 | 111.5 | 56.5 |
| Acquisition of treasury shares | 0.0 | -0.1 | 0.0 |
| Dividends paid to shareholders and minorities | -124.2 | -26.7 | -26.8 |
| Changes in net debt | 48.4 | 18.3 | 99.7 |
| Changes in bank debt/private placement | 30.1 | 27.7 | 93.5 |
| Conversion differences | 18.2 | -9.4 | 6.2 |
| Attributable to minority interests | 0.0 | 0.0 | 0.0 |
| Others | -0.2 | 0.9 | 0.7 |
| NET CASH-FLOW FROM FINANCING ACTIVITIES | -76.0 | -7.6 | 73.6 |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | 11.4 | 103.9 | 130.0 |
| Opening cash and cash equivalents | 598.5 | 480.0 | 480.0 |
| Effect of the exchange rate fluctuations on cash held | -57.9 | 14.6 | -3.9 |
| CLOSING CASH AND CASH EQUIVALENTS | 551.9 | 598.5 | 606.1 |

Investments

Last 27 October witnessed the official opening of the new manufacturing lines at NAS (the new bright annealing –BA- line and the cold-rolling mill), in the presence of the Governor of Kentucky and the Board of Directors of Acerinox.



Outlook

The third quarter behaved as we forecast in July, and the reversal of the trend we announced then has occurred too.

This reinforces our optimism towards the fourth quarter, in terms of both activity and prices and margins.

The 2017 financial year will end with results which reflect the recovery of the market and improved margins, as a result of the savings achieved by the Excellence Plans. The income generated will enable us to maintain our strategic investment plan and continue with shareholder remuneration.

Main economic-financial figures

| CONSOLIDATED GROUP | Year 2017 | | | | 2016 | |
|---|-----------|----------|----------|----|-----------------|----------|
| | Q1 | Q2 | Q3 | Q4 | Accumulated | Jan-Sep |
| Production (T thousand Mt) | | | | | | |
| Melting shop | 667.5 | 605.3 | 614.6 | | 1,887.4 | 1,864.4 |
| Hot rolling shop | 592.5 | 535.4 | 542.4 | | 1,670.3 | 1,661.8 |
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| Gross operating result/ EBITDA (million €) | 191.24 | 125.60 | 53.09 | | 369.93 | 223.03 |
| % over sales | 15.3% | 10.5% | 5.0% | | 10.5% | 7.7% |
| EBIT (million €) | 146.12 | 80.89 | 12.71 | | 239.72 | 96.64 |
| % over sales | 11.7% | 6.8% | 1.2% | | 6.8% | 3.3% |
| Result before taxes and minorities (million €) | 140.80 | 75.98 | 8.92 | | 225.70 | 72.58 |
| Result after taxes and minorities (million €) | 97.95 | 52.80 | 6.64 | | 157.39 | 44.50 |
| Depreciation (million €) | 45.28 | 43.88 | 40.80 | | 129.96 | 125.63 |
| Net cash flow (million €) | 143.24 | 96.69 | 47.43 | | 287.36 | 170.13 |
| Number of employees | 6,616 | 6,794 | 6,818 | | 6,818 | 6,541 |
| Net financial debt (million €) | 600.55 | 663.49 | 696.65 | | 696.65 | 678.07 |
| Debt to equity (%) | 26.8% | 33.2% | 36.3% | | 36.3% | 34.1% |
| Number of shares (million) | 276.07 | 276.07 | 276.07 | | 276.07 | 276.07 |
| Return to shareholders (per share) | --- | --- | 0.45 | | 0.45 | 0.440 |
| Daily average shares traded (n° of shares, million) | 1.54 | 1.76 | 1.37 | | 1.55 | 1.94 |
| Result after taxes and minorities per share | 0.35 | 0.19 | 0.02 | | 0.57 | 0.16 |
| Net cash flow per share | 0.52 | 0.35 | 0.17 | | 1.04 | 0.62 |

Alternative Performance Measures (definitions of terms used)

Savings related to the Excellence Plans: estimated efficiency savings on the basis of the study defined for each Plan

Operating Working Capital: Inventories + Trade debtors - Trade payables

Net Cash Flow: Result after taxes and minority interests + depreciation

Net Financial Debt: Interest-bearing loans and borrowings + bond issue - cash

EBIT: Operating income

EBITDA: Operating income + depreciation + provisions

Net financial expenses: Financial income - financial costs \pm exchange rate differences

Debt Ratio: Net Financial Debt/Equity