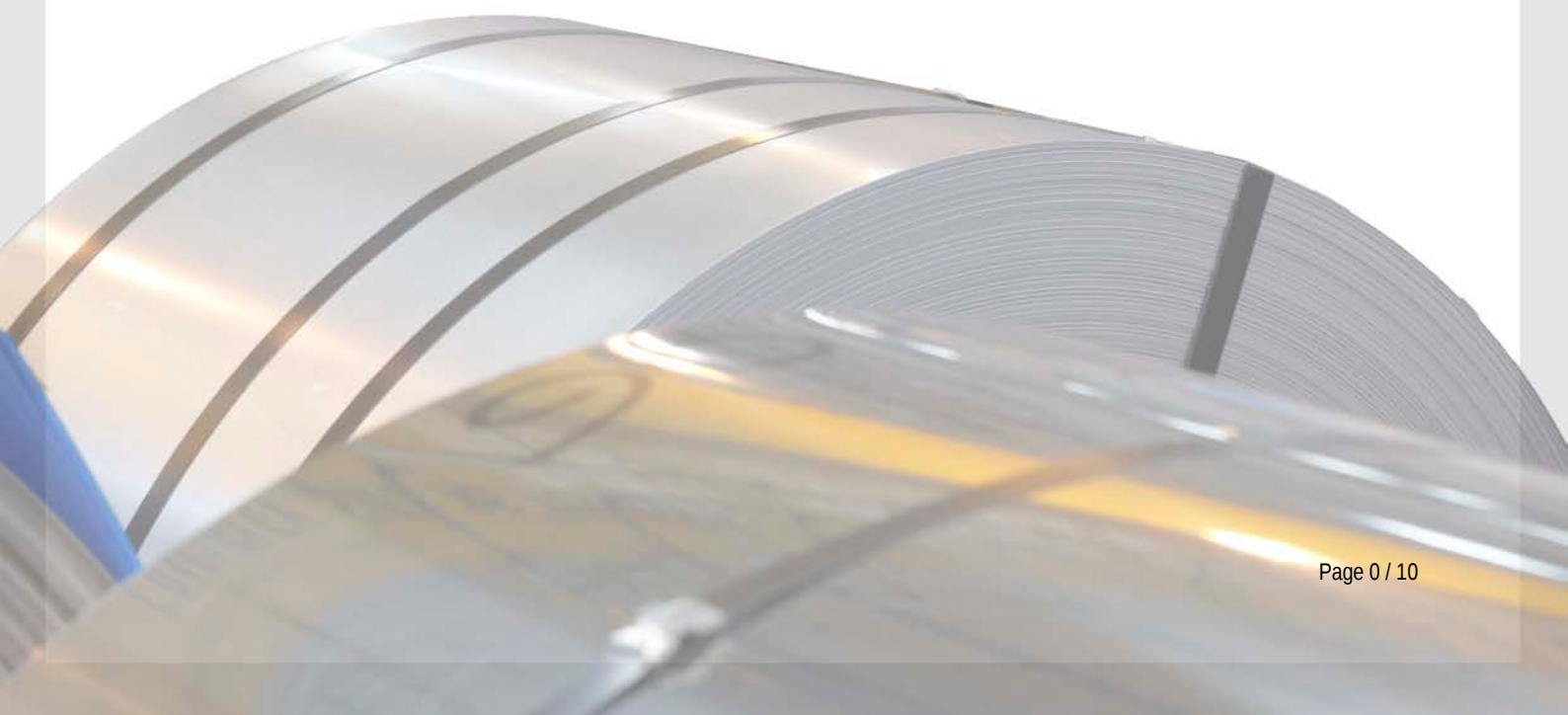




PRESS RELEASE 21st July, 2014

2014 FIRST HALF RESULTS

ACERINOX

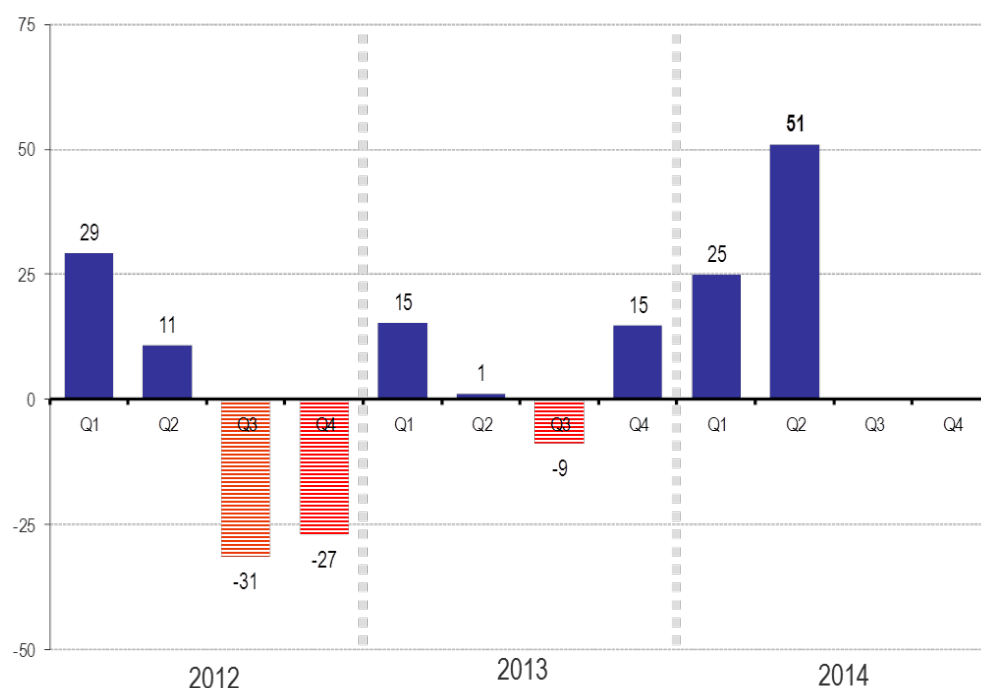


2014 First Half Results

- Acerinox's profit after taxes and minorities for the first half of 2014 is Euros 76.1 million, representing a rise of 373% on the same period in the prior year
- The Group's production grew by 7%, confirming the recovery that started in the third Quarter of 2013.
- Prices remain low in all international markets, due to surplus supply
- Half-yearly EBITDA of Euros 213.0 million is up 78.9% on the first half of 2013
- Net financial debt amounts to Euros 828 million and the net debt/EBITDA ratio is 1.94
- The 2013-2014 Excellence Plan III is progressing well, and 87% of targets have been met
- In July Acerinox distributed a dividend of Euros 0.449 per share through a scrip dividend. New shares were acquired by 51% of shareholders
- The European Commission has admitted an anti-dumping claim against imports from China and Taiwan of cold-rolled flat stainless steel products
- Activity in the sector will decline in the third Quarter due to seasonal factors in Europe, but without the sharp drops seen in prior years

Result after taxes and minorities

Millions of Euros



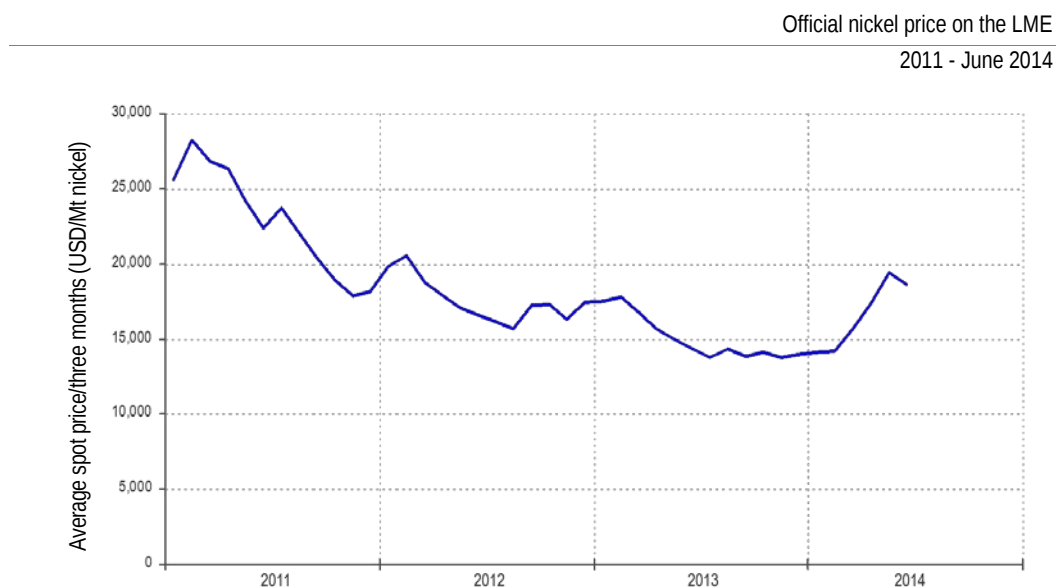
Stainless steel market

In the first half of 2014 the stainless steel market performed satisfactorily, consolidating the trend that started in the third Quarter of 2013.

Recovering confidence in the economy is allowing restocking to start throughout the supply chain of goods manufactured with stainless steel, such as cars, electrical appliances and hardware.

According to the latest ISSF data (International Stainless Steel Forum), production of stainless steel from January to March 2014 amounted to 10.2 million tonnes, up 6.8% on the same period in 2013. This increase is occurring in all regions.

After three consecutive years of falls in nickel prices, there has been an upturn, with a hike of 34% in the first half of the year. The low for the year was 9 January, at 13,365 USD/Mt, while the peak was reached on 13 May at 21,200 USD/Mt.



The improvement in demand for stainless steel, the ban on nickel exports imposed by the Indonesian government and greater activity on the London Metal Exchange were the main reasons for this rise.

The Indonesian government's ban on exports of nickel is pushing up the price of this metal by affecting production of nickel pig iron (NPI) in China. Chinese stainless steel producers have therefore had to turn to international markets to obtain nickel in traditional formats such as stainless steel scrap or ferronickel.

Improved demand has allowed the rise in raw material costs to be passed on through alloy surcharges or increases in effective prices. However, it has only been possible to slightly raise base prices, due to the remaining surplus capacity in the sector.

Inventories remain at reasonable levels in all markets.

Stainless steel sheet prices: cold-rolled 2mm AISI 304

2005 - June 2014



Source: Metal Bulletin

Europe

By June, apparent consumption of flat products in Europe had recorded a 17% rise on the same period in the previous year. All countries have performed positively, with the exception of France. Apparent consumption in Spain also grew by 14%.

While last year the demand was supported by a better performance of capital goods in the first half of 2014 is noticing increased activity in consumer goods and the performance has been very positive in all sectors and end uses.

Nonetheless, remaining surplus capacity and ongoing significant pressure from imports, fuelled by a strong Euro, have made price rises in the first six months of the year difficult.

On 26 June, the European Commission admitted an anti-dumping claim against imports from China and Taiwan of cold-rolled flat stainless steel products. This decision forms part of the European Union's recent efforts to put European producers on a level playing field with other countries.

North America

The US economy is continuing to respond to the expansionist monetary policy applied by the Federal Reserve, with strong domestic demand and exports driven by the Dollar exchange rates.

Demand is continuing to perform satisfactorily, growing at a rate of around 6%, according with our estimate, on the same period in the prior year. North American Stainless's production has therefore gathered momentum, with two price rises in the second Quarter, each of 80 USD/Mt.

Delivery dates have been extended and orders are being negotiated for after the summer. Performance in the third Quarter will therefore be positive.

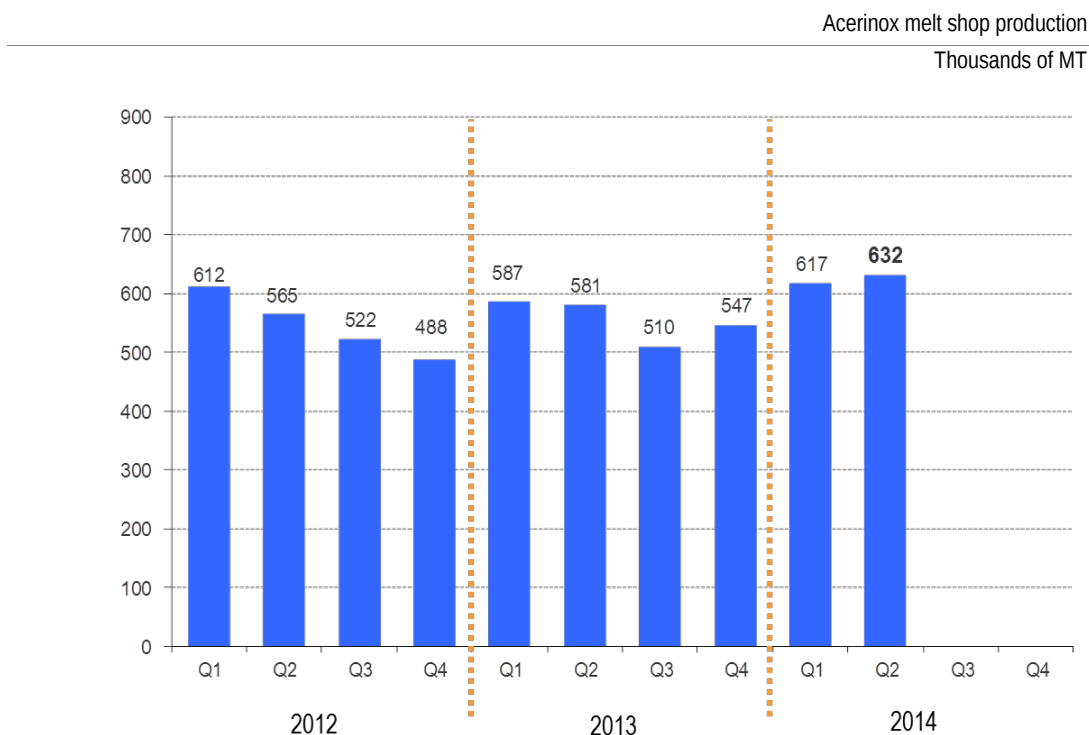
Almost all of the consumer sectors are performing satisfactorily and especially catering equipment, energy and transport.

Asia

Prices in the Asian market rose 17% in the first half of the year, to pass on the higher prices of raw materials, without resulting in wider margins. The Indonesian government's restrictions on exports of nickel ores is expected to have a considerable impact on Chinese producers' costs. We therefore expect to see further price rises in the region.

Production

At 1,249,073 tonnes, Acerinox's melt shop production for the first six months of the year is up 6.9% on the first half of the previous year.



Hot-rolled output was 1,093,952 tonnes, up 9.5% on the same period in the prior year. It should be taken into account that in June of the prior year, Acerinox Europa factory's hot rolling mill was closed down for 21 days for modernisation works.

At 796,159 tonnes, cold rolling production climbed 6.7% compared to the first half of 2013.

Acerinox production
Thousands of Mt

		2014				2013
		1Q	2Q	3Q	4Q	Accumulated
Thousand Mt	Melting shop	617.5	631.6			1,249.1
	Hot rolling shop	542.0	552.0			1,094.0
	Cold rolling shop	384.5	411.7			796.2
	Long product (Hot rolling)	62.4	64.0			126.4
		Jan - Jun				

In the second Quarter, melt shop production edged up 2.3%, hot rolling 1.8%, cold rolling 7.1% and hot-rolled long products 2.7% compared to the first Quarter of the year.

Results

The Group's turnover for the first half of the year, Euros 2,169.99 million, is 4.8% higher than for the same period of the prior year, mainly as a result of a 12% hike in the volume of sales. According to Metal Bulletin, average end prices have crept up 1% in Asia and 2% in the US, but have fallen by 3% in Europe.

Half-yearly EBITDA of Euros 213 million is up 78.9% on the prior year and up 95.3% on the prior six months. The results of the improvement plans are showing, with a reduction in personnel and operating expenses of Euros 15 million, despite brisker activity.

Pre-tax profit amounts to Euros 112 million, 4.8 times greater than in the first half of 2013 and 11.4 times the pre-tax profit for the prior six months.

Once adjusted for taxes and minorities, profit comes to Euros 76 million.

Condensed income statement

Millions of Euros

	January- June				
Million €	1º Q. 14	2º Q. 14	2014	2013	Variation
Net sales	1,023.78	1,146.21	2,169.99	2,071.52	4.8%
Gross operating result / EBITDA	88.74	124.25	212.99	119.07	78.9%
% over sales	8.7%	10.8%	9.8%	5.7%	
EBIT	50.78	87.01	137.79	51.04	170.0%
% over sales	5.0%	7.6%	6.3%	2.5%	
Result before taxes	38.23	73.30	111.53	23.40	376.7%
Result after taxes and minorities	25.07	51.03	76.10	16.10	372.5%
Depreciation	37.01	37.10	74.11	67.11	10.4%
Net cash flow	62.08	88.13	150.21	83.21	80.5%

The gradual recovery in demand in the market is also reflected in Acerinox's Quarterly results. Sales in the second Quarter were 12% higher than in the first Quarter. EBITDA jumped 40% and EBIT leaped up 71%. Profit after taxes and minorities for the second Quarter was double that for the first Quarter.

The Group's net financial debt is Euros 828 million. The increase on the prior Quarter (Euros 760 million) is primarily due to the greater working capital requirements related to the rise in the price of raw materials and particularly to the improvement in activity. As a result, despite greater debt, the net financial debt/EBITDA ratio has dropped from 2.14 in the first Quarter to 1.94 in the second Quarter.

Condensed balance sheet

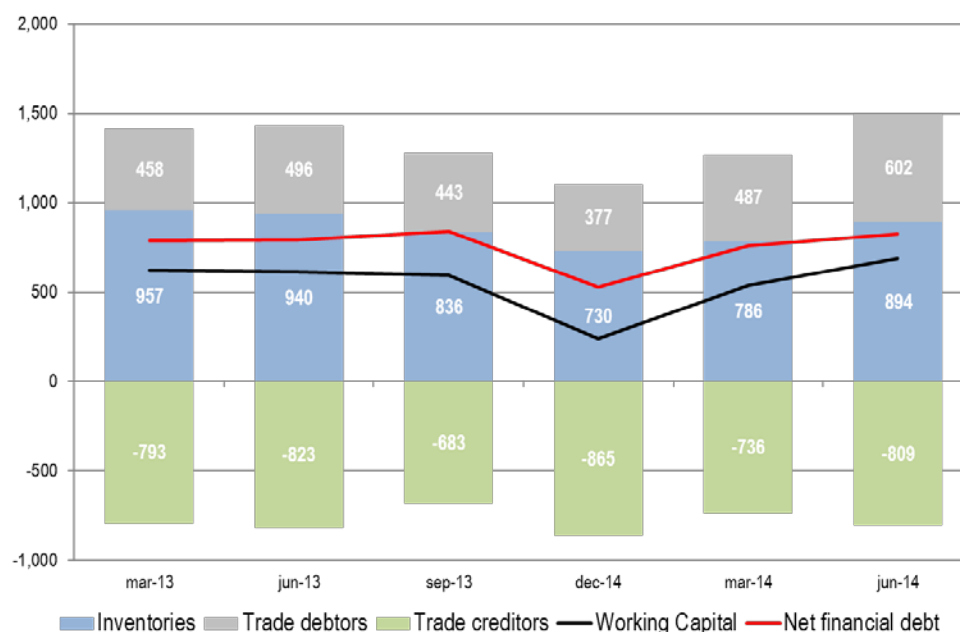
Millions of Euros

ASSETS				LIABILITIES			
Million €	Jun-14	2013	Variation	Million €	Jun-14	2013	Variation
Non-current assets	2,169.63	2,200.07	-1.4%	Equity	1,524.83	1,553.22	-1.8%
Current assets	1,932.88	1,790.90	7.9%	Non-current liabilities	973.97	990.61	-1.7%
- Inventories	894.04	729.59	22.5%	- Interest-bearing loans and borrowings	731.53	750.66	-2.5%
- Debtors	625.85	410.55	52.4%	- Other non-current liabilities	242.45	239.95	1.0%
Trade debtors	601.87	376.62	59.8%	Current liabilities	1,603.70	1,447.14	10.8%
Other debtors	23.99	33.94	-29.3%	- Interest-bearing loans and borrowings	483.67	408.27	18.5%
- Cash and other current asset	412.99	650.76	-36.5%	- Trade creditors	808.90	865.18	-6.5%
				- Other current liabilities	311.13	173.68	79.1%
TOTAL ASSETS	4,102.51	3,990.97	2.8%	TOTAL EQUITY AND LIABILITIES	4,102.51	3,990.97	2.8%

Inventories have risen by Euros 164 million and trade debtors by Euros 225 million, but trade creditors have decreased by Euros 56 million. As a result, operating working capital is Euros 446 million higher.

Working capital

Millions of Euros (2013-2014)



Working capital management continues to be a priority for the Group. Inventories remain at tightly controlled levels which are in line with the brisker activity and higher prices.

As a result of the greater liquidity of financial markets, the Group's use of monetisation instruments has fallen significantly. Acerinox has retained all of its factoring and reverse factoring facilities, although use thereof will depend on Group strategy.

Abbreviated statement of cash flows

Millions of Euros

	Jan-Jun 2014	Jan - Dec 2013	Jan-Jun 2013
Result before taxes	111.5	33.2	23.4
Adjustments for:	94.5	185.7	110.8
Depreciation and amortisation	74.1	135.0	67.1
Changes in provisions and impairments	-5.9	1.7	8.8
Other adjustments in the result	26.3	49.0	34.9
Changes in working capital	-392.7	149.1	-164.1
Changes in operating working capital	-446.0	187.9	-183.3
· Inventories	-164.4	140.9	-69.3
· Trade debtors	-225.2	9.6	-109.5
· Trade creditors	-56.3	37.4	-4.6
Others	53.2	-38.8	19.3
Other cash-flow from operating activities	-76.5	-108.7	-66.4
Income tax	-51.1	-54.7	-40.4
Financial expenses	-25.4	-54.0	-26.0
NET CASH-FLOW FROM OPERATING ACTIVITIES	-263.2	259.3	-96.3
Payments for investments on fixed assets	-34.0	-160.8	-116.7
Others	-0.6	-1.3	-0.4
NET CASH-FLOW FROM INVESTING ACTIVITIES	-34.7	-162.1	-117.1
NET CASH-FLOW GENERATED	-297.8	97.2	-213.4
Acquisition of treasury shares	0.0	0.0	0.0
Dividends paid to shareholders and minorities	0.0	-46.8	0.0
Changes in net debt	52.7	18.5	22.8
Changes in bank debt	56.3	-5.3	20.5
Conversion differences	-3.5	23.8	2.4
Attributable to minority interests	0.0	0.0	0.0
Others	0.3	0.1	0.0
NET CASH-FLOW FROM FINANCING ACTIVITIES	53.0	-28.3	22.8
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	-244.9	68.9	-190.6
Opening cash and cash equivalents	629.6	582.7	582.7
Effect of the exchange rate fluctuations on cash held	2.4	-22.0	-1.6
CLOSING CASH AND CASH EQUIVALENTS	387.2	629.6	390.5

Cash flows are influenced above all by the Group's increased generation of operating cash flows and also by the rise in operating working capital, in relation to the recovery in activity and decline in the use of factoring and reverse factoring instruments.

Improvement plans

In the first eighteen months of the 2013-2014 Excellence Plan III, 87% of the objectives have been reached, which we estimate to amount to Euros 52.4 million in recurring annual savings.

Since the start of the crisis, Acerinox has committed to resizing its business to adapt it to the new market conditions, fine-tuning its workforce in Europe and South Africa and enlarging it in Asia, the market with the brightest future, where the Group is building Bahru Stainless and expanding its commercial network.

During this process, the total workforce has been reduced by 20% on 2008, partially offset by expansion of the workforce in Asia.

Shareholder remuneration

At the ordinary annual general meeting held on 10 June 2014, the shareholders approved a scrip dividend in which Acerinox shareholders were able to choose between cash (Euros 0.449) or new shares. Through this decision the Company abided by its traditional policy of maintaining shareholder remuneration.

Before the end of July, 4,555,963 new Acerinox shares will begin trading, created as a result of shareholders representing 51.4% of the Company's share capital opting to receive their dividend in the form of shares. As a result, Acerinox, S.A.'s share capital will amount to Euros 65,425,535, represented by 261,702,140 shares.

Outlook

Our order book allows us to be optimistic with regard to the coming months. Although activity in the sector will decline in the third Quarter due to seasonal factors, no sharp drops are expected like those seen in prior years.

We expect a recovery in confidence in the economy and revived demand from September onwards to allow for price increases in all markets.

Restructuring of the sector in Europe and growth in demand will reduce surplus supply in the stainless steel sector.

The new profitability threshold reached by the Group will allow it to deal with the new economic cycle with guaranteed success.

Key financial indicators

CONSOLIDATED GROUP	Year 2014				2013
	Q1	Q2	Q3	Q4 Accumulated	Jan-Mar
Production (Mt.)					
Melting shop	617,496	631,576		1,249,073	1,168,410
Hot rolling shop	541,976	551,975		1,093,952	999,661
Cold rolling shop	384,496	411,663		796,159	746,203
Long product (hot rolling)	62,356	64,043		126,399	116,541
Net sales (million €)	1,023.78	1,146.21		2,169.99	2,071.52
Gross operating result / EBITDA (million €)	88.74	124.25		212.99	119.07
% over sales	8.7%	10.8%		9.8%	5.7%
EBIT (million €)	50.78	87.01		137.79	51.04
% over sales	5.0%	7.6%		6.3%	2.5%
Result before taxes and minorities (million €)	38.23	73.30		111.53	23.40
Result after taxes and minorities (million €)	25.07	51.03		76.10	16.10
Depreciation (million €)	37.01	37.10		74.11	67.11
Net cash flow (million €)	62.08	88.13		150.21	83.21
Number of employees	6,789	6,713		6,713	7,178
Net financial debt (million €)	760.49	828.05		828.05	794.21
Debt to equity (%)	48.4%	54.3%		54.3%	47.8%
Number of shares (million)	257.15	257.15		257.15	249.30
Return to shareholders (per share)	--	--		--	--
Daily average shares traded (nº of shares, million)	1.25	1.17		1.21	0.96
Result after taxes and minorities per share	0.10	0.20		0.30	0.06
Net cash flow per share	0.24	0.34		0.58	0.33