

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

***INTERNAL CODE OF CONDUCT
FOR ALL MATTERS RELATED TO
THE STOCK MARKET ACTIVITY OF
ACERINOX, S.A.***

***Approved by the Board of Directors on the 10th June 2004
The CNMV was notified electronically on the 22nd July 2004.***

INTERNAL CODE OF CONDUCT

FOR ALL MATTERS RELATED TO THE STOCK

MARKET ACTIVITY OF ACERINOX, S.A.

1 - SCOPE OF APPLICATION

- 1.1. This internal code of conduct applies to the members of the Board of Directors and Senior Management of ACERINOX, S.A. and, in general, to any of the Company's employees whose duties are mainly related to Stock Market activities or employees whose involvement in a particular matter means that they are party to inside information (hereinafter, 'the Addressees'). This Code of Conduct does not apply to the representatives cited in article 3 of Royal Decree 629/1993, given that ACERINOX, S.A. does not have any such representatives in relation to the Stock Market. ACERINOX, S.A. shall keep thorough records at all times of employees governed by this Code of Conduct and make such records available to the competent authorities. In particular, the Code applies to:
- a) Members and Secretaries of the administrative bodies of ACERINOX, S.A. and all of the Group's companies, in accordance with the provisions of article of Stock Market Law n° 24/1988 of the 28th July.
 - b) The Senior Management of the Acerinox Group, which includes all individuals who, in the performance their duties, report directly to the Board of Directors, the Chairman of the Board or the Chief Executive Officer.
 - c) Directors responsible for the businesses in the various countries in which Acerinox operates.
 - d) Employees involved in areas related to Stock Market activity, who are to be expressly informed of their inclusion.
 - e) Any other employees (executive or otherwise) that come under the scope of application based on the decision of the Board of Directors of ACERINOX, S.A. the Audit Committee, the Chairman or the Chief Executive Officer, in view of the circumstances in each case.
 - f) External consultants. The term 'external consultants' refers to any individual or legal entity that provides consulting, financial or legal services or service of any kind to ACERINOX, S.A. or any of the Group's companies, and who is thereby privy to inside information.

The General Secretary is responsible for keeping up-to-date-records of all individuals that come under the scope of application of this Code of Conduct, as well as informing such individuals of their obligation to abide by the Code.

- 1.2. The securities and financial instruments (hereinafter, 'the Operations') issued by ACERINOX, S.A. or any of the Group's companies, to which this Code of Conduct applies are:
- a) Transferable securities issued by ACERINOX, S.A. and the companies that form the Acerinox Group that are traded on the Stock Market or other organized markets, in Spain or abroad, or that are pending admission to trading on such markets.
 - b) Financial instruments that grant the option to acquire the above mentioned securities.
 - c) Financial instruments based on securities or instruments issued by ACERINOX, S.A. or any of the Group's companies.
 - d) Transferable securities issued by other companies in which ACERINOX, S.A. holds a share, that are traded on the Stock Market or other organized markets, in Spain or abroad, or that are pending admission to trading on such markets.

2 - CONFIDENTIAL INFORMATION

- 2.1. The term 'Confidential Information' as used in this Code of Conduct, in accordance with the provisions of article 8.1.1 of the Stock Market legislation, refers to all information that has not been made public of a specific nature which involves ACERINOX, S.A. and its subsidiaries or securities issued by ACERINOX, S.A. and its Group, and which, were this information to be known, may have a noticeable effect on the value of such securities on the market or any organized trading system.
- 2.2. The Addressees are not permitted to use information regarding the Operations of which they are aware as a result of their position to their own advantage, either directly or by passing this information to third parties without the express knowledge of ACERINOX, S.A.
- 2.3. Any Addressee that is in possession of data or information related to the Operations must protect this data and information, without prejudice to their right of communication and collaboration with the legal or administrative authorities, in accordance with the provisions of Stock Market Law nº 24/1988 of 28th June, or any other relevant legislation. In particular, the Addressees are responsible for preventing such data or information being used in an abusive or disloyal way, and reporting cases that may have taken place and taking all necessary measures within their power to prevent, avoid and, if applicable, resolve the consequence that may occur from such abuse.
- 2.4. The Addressees that are in possession of inside information must abstain from partaking in the following conduct, either on their own or somebody else's behalf, directly or indirectly:

- a) Preparing or performing any operation involving transferable securities or financial instruments, as defined in the previous section, to which the inside information refers, or involving any other type of security, financial instrument or contract, traded on a secondary market or otherwise, that are based on the transferable securities or financial instruments to which the inside information refers.

This article does not apply to the preparation and performance of operations that the existence of which, in itself, constitutes the inside information. Neither does this article apply to operations that are performed in order to fulfil an obligation which results from an agreement made before the person concerned came into possession of the inside information. Further exception is made for other operations that are performed in compliance with the applicable legislation.

- b) Passing such information to third parties, except in the standard performance of their professional duties.
- c) Making recommendations to a third party who intends to acquire or dispose of transferable securities or financial instruments or intends to advise other parties to acquire or dispose of transferable securities or financial instruments based on this information.

The prohibitions established in this section apply to any individual who is in possession of inside information when said person knows or should have known that the information was of such a nature.

- 2.5. The Chief Financial Officer is responsible for monitoring developments in the market for securities and financial instruments, as defined in article 1.2, and any new information issued by professional distributors of economic data and the broadcast media that may affect the securities and financial instruments, during the research or negotiation phase of any type of legal or financial operation that may constitute inside information.
- 2.6. If an abnormal behaviour occurs with respect to the trading price or volume of the securities and financial instruments, as defined in article 1.2, the Chief Financial Officer will contact the Chairman of the Board of Directors or the Chief Executive Officer immediately. If necessary and in the event that there is a reasonable indication that such behaviour is a consequence of the release of information in a premature, incomplete or distorted manner, the Chairman of the Board or the Chief Executive Office must take all necessary measures to circulate a report of the relevant information immediately, which expressly states, in clear and precise terms, the status of the operation which is under way or which gives advance notification of the information to be made public.

- 2.7. The Chairman or, if applicable, the Chief Executive Officer and Board Members must perform the following duties in the areas for which they are responsible:
- a) Limiting access to information strictly to those individuals within the organization or external consultants to whom the information is absolutely indispensable in the performance of their duties.
 - b) Expressly notifying those who receive such information that it is of a confidential nature and that its use is prohibited, and that it is recorded on the document register that is kept by the General Secretary, as described in the following section.
 - c) Keeping a document record for registering every operation that may give rise to inside information, in which it is expressly stated which individuals are privy to the information and the date on which each of them came into possession of the information.
 - d) Implementing security measures for custody, archiving, access, reproduction and distribution of inside information.
 - e) The General Secretary is responsible for keeping a central record of inside information which expressly states the information received by each of the individuals responsible for confidential information, following the procedure that is deemed most appropriate.

3 - NOTIFICATION OF OPERATIONS

- 3.1. The Addressees must notify the General Secretary of ACERINOX, S.A. in writing before the 31st January of any securities that they hold, directly or indirectly, in ACERINOX, S.A. or the Group's companies. Any individuals that acquire the status of Addressees after the date indicated must provide such information within thirty days from the date on which they become Addressees.
- 3.2. Addressees must notify the General Secretary of ACERINOX, S.A. of any operation in a personal capacity involving the subscription, purchase, sale or option to purchase securities of ACERINOX, S.A. or the Group's companies, performed by the Addressee or on their behalf, within seven days from the date of the operation. Such notification must include the number and type of security involved in the operation, the price of the operation and the date it takes effect.
- 3.3. The provisions of section 3.2 do not apply to operations ordered by organizations to which the Addressees have permanently delegated the management of their share portfolio. Nevertheless, Addressees must notify ACERINOX, S.A. of the existence of such contracts and the identity of the portfolio manager, who is obliged to provide all information requested by ACERINOX, S.A. in accordance with the schedule set out in sections 3.1 and 3.2.

- 3.4. The obligation to make such notification is without prejudice to the fulfilment of any other obligation established by any regulatory body or that results from the provisions of article 83b of Stock Market legislation.
- 3.5. Operations performed by related individuals also come under the scope of the regulations in this Code of Conduct. The term 'related individual' refers to any individual who is related to the Addressees of this Code of Conduct in any of the following ways:
- a) The spouse or partner in a relationship of a comparable status.
 - b) Children under the age of consent under their parental authority.
 - c) Organizations in which they have a controlling interest.
 - d) Any individual or entity that acts on their behalf or in their interest.

4 - TEMPORARY OPERATIONAL LIMITATIONS

Due to the existence of a situation that may generate inside information, at the request of the Chairman or the Chief Executive Officer, the Board of Directors may set a period in which operations cannot be performed by the individuals defined in section a) or other people involved with the information. In any event, Addressees must not perform operations in the fifteen-day period before the publication of the Annual Accounts and the quarterly and six-monthly financial status reports.

5 - CONFLICTS OF INTEREST.

- 5.1. The Addressees must notify ACERINOX of any possible conflicts of interest with the Company that they may be subject to as a result of family relationships, personal assets or any other cause. To this effect, and without prejudice to the obligation of loyal conduct established in corporate and employment legislation, the term 'conflict of interest' refers to the performance of operations of any type with securities, traded or otherwise, of organizations or companies that are dedicated to the same type of business as ACERINOX, S.A.

Such operations are not considered a conflict of interest if the family member involved is a third-degree blood relative or a second-degree relative by marriage or more distant.

A conflict of interest is deemed to exist as a result of personal assets when a conflict arises in relation to a company that is run by the Addressee. In order to determine the existence of such a conflict, the criteria set in article 42.1 of the Commercial Code must be applied.

- 5.2. The information referred to in section 5.1 must be kept up-to-date. To this end, Addressees must notify the General Secretary of ACERINOX, S.A. immediately of any incident that may involve a conflict of interest, as soon as they become aware of such an incident.

6 - RELEVANT INFORMATION

- 6.1. In accordance with the provision of article 82 of stock market legislation, the term 'relevant information' refers to all information that the knowledge of which may reasonably influence an investor to acquire or dispose of securities or financial instruments and which may, therefore, have a slight impact on trading in secondary markets.
- 6.2 ACERINOX, S.A. will notify the market of any relevant information regarding the Company via notification to the CNMV (The Spanish National Securities Market Commission).

The CNMV is to be notified of any relevant information prior to its dissemination through any other means, as soon as the relevant information emerges, the relevant decision has been taken or the relevant agreement or contract with third parties has been signed.

As a general rule, the General Secretary is responsible for the notification of relevant information to the CNMV.

Under exceptional circumstances, the Chairman, Chief Executive Officer or any Member of the Board of Directors of Acerinox, S.A. may make the notification of relevant information.

The Audit and Control Committee of ACERINOX must be informed of notifications of relevant information whenever necessary in order to comply with the regulations that govern its competences and operations.

Notifications of relevant information are to be made available via the shareholder section of the ACERINOX, S.A., once the CNMV (The Spanish National Securities Market Commission) has been notified.

- 6.3 Relevant information that is released to the market must be truthful, clear, quantified and complete without leading to, or potentially leading to, confusion or deception.
- 6.4 Whenever the Company considers that relevant information should not be made public as it may affect their legitimate interests, the CNMV (The Spanish National Securities Market Commission) must be informed immediately, and the Company may thereby be relieved of this obligation under the provisions of article 91 of Stock Market legislation.

7 - OPERATIONS INVOLVING THE COMPANY'S OWN SECURITIES.

- 7.1. The determination and implementation of specific plans for the acquisition or disposal of the Company's own securities by ACERINOX, S.A. and the Group's companies must comply with the Stock Market Law n° 24/1988 of the 28th July and any other applicable legislation currently in force.
- 7.2. The Chief Financial Officer of ACERINOX, S.A. is responsible for making official notifications regarding transaction that have been carried out involving the Company's own securities, as required under the current provisions. The Chief Financial Officer must also ensure adequate monitoring and recording of such transactions.

8 - THE OBLIGATORY NATURE OF THE CODE OF CONDUCT.

- 8.1. Compliance with this Internal Code of Conduct is obligatory for all Addressees, who are to be informed of such an obligation by ACERINOX, S.A.
- 8.2. The Addressees must also act at all times in accordance with other applicable regulations, with Stock Market legislation and, in particular, with the Stock Market General Code of Conduct in the annex to Royal Decree 629/1993, as long as it remains in force.

9 - COMMUNICATIONS AND MONITORING OF COMPLIANCE.

All communications and notifications mentioned in the Code of Conduct must be made in writing to the General Secretary and sent via reasonable channels or given in person at the Company's Head Office, in which case, a proof of receipt must be given. The General Secretary is to keep an up-to-date Record of all securities referred to in this Code of Conduct on behalf of all individuals that come under the scope of this Code. The General Secretary must maintain a strict policy of confidentiality with respect to the data contained in the Record.

The General Secretary is responsible for monitoring and ensuring compliance with the regulations set out in this Code of Conduct, under the supervision of the Audit and Control Committee.

10 - BREACH OF THE CODE OF CONDUCT.

The breach of the provisions this Code of Conduct, the contents of which are drafted in accordance with current Stock Market legislation and the General Code of Conduct in order to regulate the operations and discipline on the Stock Market, may give rise to the corresponding administrative sanctions, without prejudice to the application of employment legislation.