CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND INTERIM MANAGEMENT REPORT

FIRST HALF 2015

ACERINOX, S.A. AND SUBSIDIARIES

Condensed Consolidated Interim Financial Statements for the first half of 2015

30 June 2015

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

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS

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

(In thousands of Euros at 30 June 2015 and 31 December 2014)

	Nota	30/06/2015	31/12/2014
ASSETS			
Non-current assets			
Goodwill	7	69.124	69.124
Other intangible assets	7	11.086	9.311
Property, plant and equipment	8	2.062.609	1.985.432
Equity-accounted investees	10	0	0
Available-for-sale financial assets		12.017	8.401
Deferred tax assets	10	186.955	192.130
Other non-current financial assets		20.794	6.032
TOTAL NON-CURRENT ASSETS		**2.362.585**	**2.270.430**
Current assets			
Inventories	9	918.621	851.698
Trade and other receivables	10	702.723	466.091
Other current financial assets	10	23.985	84.576
Current tax assets		18.213	18.390
Cash and cash equivalents		522.806	738.368
TOTAL CURRENT ASSETS		**2.186.348**	**2.159.123**
TOTAL ASSETS		**4.548.933**	**4.429.553**

Notes 1 to 21 form an integral part of the condensed consolidated interim financial statements.

(In thousands of Euros at 30 June 2015 and 31 December 2014)

	Note	30/06/2015	31/12/2014
LIABILITIES			
Equity			
Subscribed capital		65.426	65.426
Share premium		81.403	81.403
Reserves		1.535.573	1.442.370
Profit for the period		63.923	136.329
Translation differences		188.740	18.048
Parent shares		-1	
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT		**1.935.064**	**1.743.576**
Non-controlling interests		112.410	112.552
TOTAL EQUITY		**2.047.474**	**1.856.128**
Non-current liabilities			
Deferred income		8.523	6.430
Bonds and other marketable securities	10, 11	123.844	124.050
Loans and borrowings	10, 11	754.021	895.958
Non-current provisions		13.747	13.706
Deferred tax liabilities		228.448	216.763
Other non-current financial liabilities	10, 12	8.429	22.758
TOTAL NON-CURRENT LIABILITIES		**1.137.012**	**1.279.665**
Current liabilities			
Bonds and other marketable securities		3.603	
Loans and borrowings	10	445.505	334.079
Trade and other payables	10	859.901	915.596
Current tax liabilities		759	35.997
Other current financial liabilities	10, 12	54.679	8.088
TOTAL CURRENT LIABILITIES		**1.364.447**	**1.293.760**
TOTAL LIABILITIES		**4.548.933**	**4.429.553**

Notes 1 to 21 form an integral part of the condensed consolidated interim financial statements.

2. CONDENSED CONSOLIDATED INTERIM INCOME STATEMENTS

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

(In thousands of Euros at 30 June 2015 and 2014)

	Note	30/06/2015	30/06/2014
Revenues	**18**	**2.315.222**	**2.169.990**
Other operating income	18	5.312	3.887
Self-constructed non-current assets	18	9.152	6.904
Changes in inventories of finished goods and work in progress		15.539	70.608
Supplies		-1.651.994	-1.583.526
Personnel expenses		-187.997	-176.280
Amortisation and depreciation	7, 8	-82.170	-74.113
Other operating expenses		-302.250	-279.680
RESULTS FROM OPERATING ACTIVITIES		**120.814**	**137.790**
Finance income		1.867	2.617
Finance costs		-26.912	-30.755
Exchange gains/(losses)		38.545	-5.339
Fair value measurement of financial instruments		-38.291	7.219
Share of profit of equity-accounted investees			1
PROFIT FROM ORDINARY ACTIVITIES		**96.023**	**111.533**
Income tax	15	-37.915	-39.461
Other taxes		-891	-819
PROFIT FOR THE PERIOD		**57.217**	**71.253**
Attributable to:			
NON-CONTROLLING INTERESTS		**-6.706**	**-4.844**
NET PROFIT ATTRIBUTABLE TO THE GROUP		**63.923**	**76.097**
Basic earnings/loss per share (in Euros)		0,25	0,30

Notes 1 to 21 form an integral part of the condensed consolidated interim financial statements.

3. CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME

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

(In thousands of Euros at 30 June 2015 and 2014)

	30/06/2015	30/06/2014
A) PROFIT FOR THE PERIOD	**57.217**	**71.253**
INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY		
I. Measurement of financial instruments		
1. Available-for-sale financial assets	3.340	1.001
2. Other income/expenses		
II. Cash flow hedges	15.855	-2.530
III. Translation differences	177.567	15.516
IV. Actuarial gains and losses and other adjustments		
V. Tax effect	-4.838	416
B) TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY	**191.924**	**14.403**
AMOUNTS TRANSFERRED TO THE INCOME STATEMENT		
I. Measurement of assets and liabilities		
1. Measurement of financial instruments		
2. Other income/expenses		
II. Cash flow hedges	-11.747	1.944
III. Translation differences		
IV. Actuarial gains and losses and other adjustments		
V. Tax effect	2.940	-572
C) TOTAL AMOUNTS TRANSFERRED TO THE INCOME STATEMENT	**-8.807**	**1.372**
TOTAL RECOGNISED INCOME AND EXPENSE	**240.334**	**87.028**
a) Attributable to the Parent	240.187	90.868
b) Attributable to non-controlling interests	147	-3.840

Notes 1 to 21 form an integral part of the condensed consolidated interim financial statements.

4. CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY

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

Movement for the reported period is as follows:

(Expressed in thousands of Euros)

	Equity attributable to shareholders of the Parent									
	Subscribed capital	Share premium	Reserves (including profit for the period)	Interim dividend	Translation differences	Valuation adjustments	Own shares	TOTAL	Non-controlling interests	TOTAL EQUITY
Total equity 31/12/2014	**65.426**	**81.403**	**1.596.880**	**0**	**18.048**	**-18.181**	**0**	**1.743.576**	**112.552**	**1.856.128**
Profit for 2015			**63.923**					**63.923**	**-6.706**	**57.217**
Measurement of available-for-sale assets (net of tax)						2.505		**2.505**		**2.505**
Cash flow hedges (net of tax)						3.067		**3.067**	-22	**3.045**
Translation differences					170.692			**170.692**	6.875	**177.567**
Net profit recognised directly in equity					**170.692**	**5.572**		**176.264**	**6.853**	**183.117**
Total recognised profit	**0**	**0**	**63.923**	**0**	**170.692**	**5.572**	**0**	**240.187**	**147**	**240.334**
Scrip dividend			-47.836					**-47.836**		**-47.836**
Purchase of non-controlling interests			-1.241					**-1.241**	-289	**-1.530**
Transactions with shareholders	**0**	**0**	**-49.077**	**0**	**0**	**0**	**0**	**-49.077**	**-289**	**-49.366**
Purchase of own shares							-1	**-1**		**-1**
Other movements			379					**379**		**379**
Total equity 30/06/2015	**65.426**	**81.403**	**1.612.105**	**0**	**188.740**	**-12.609**	**-1**	**1.935.064**	**112.410**	**2.047.474**

Movement for the same interim period of the prior year is as follows:

(Expressed in thousands of Euros)

	Equity attributable to shareholders of the Parent								Non-controlling interests	TOTAL EQUITY
	Subscribed capital	Share premium	Reserves (including profit for the period)	Interim dividend	Translation differences	Valuation adjustments	Own shares	TOTAL		
Total equity 31/12/2013	**64.287**	**81.403**	**1.518.152**	**0**	**-208.583**	**-18.214**	**0**	**1.437.045**	**116.180**	**1.553.225**
Profit for 2014			**76.097**					**76.097**	**-4.844**	**71.253**
Measurement of available-for-sale assets (net of tax)						701		**701**		**701**
Cash flow hedges (net of tax)						-428		**-428**	-14	**-442**
Translation differences					14.498			**14.498**	1.018	**15.516**
Net profit recognised directly in equity					**14.498**	**273**		**14.771**	**1.004**	**15.775**
Total recognised profit	**0**	**0**	**76.097**	**0**	**14.498**	**273**	**0**	**90.868**	**-3.840**	**87.028**
Scrip dividend			-115.459					**-115.459**		**-115.459**
Transactions with shareholders	**0**	**0**	**-115.459**	**0**	**0**	**0**	**0**	**-115.459**	**0**	**-115.459**
Acquisition of own shares							-1	**-1**		**-1**
Other movements			36					**36**		**36**
Total equity 30/06/2014	**64.287**	**81.403**	**1.478.826**	**0**	**-194.085**	**-17.941**	**-1**	**1.412.489**	**112.340**	**1.524.829**

Notes 1 to 21 form an integral part of the condensed consolidated interim financial statements.

5. CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

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

(In thousands of Euros at 30 June 2015 and 2014)

	30/06/2015	30/06/2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**96.023**	**111.533**
Adjustments for:		
Amortisation and depreciation	82.170	74.113
Impairment	-2.634	-8.735
Change in provisions	-1.423	2.874
Grants recognised in the income statement	1.017	-224
Gains/losses on disposal of fixed assets	-261	48
Change in fair value of financial instruments	15.504	-7.060
Finance income	-1.867	-2.617
Finance costs	26.913	33.702
Other income and expense	-13.162	2.443
Changes in working capital:		
Increase/decrease in trade and other receivables	-90.616	-207.995
Increase/decrease in inventories	-29.957	-153.464
Increase/decrease in trade and other payables	-122.887	-31.284
Other cash flows from operating activities		
Interest paid	-23.381	-28.003
Interest received	1.867	2.617
Income tax paid	-79.972	-51.118
NET CASH USED IN OPERATING ACTIVITIES	**-142.666**	**-263.170**
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	-33.201	-34.132
Acquisition of intangible assets	-812	-725
Acquisition of subsidiary, net of cash acquired	-1.530	
Acquisition of other financial assets	-305	-135
Proceeds from sale of property, plant and equipment	916	85
Proceeds from sale of intangible assets	2	
Proceeds from sale of other financial assets	22	241
Dividends received		
NET CASH USED IN INVESTING ACTIVITIES	**-34.908**	**-34.666**
CASH FLOWS FROM FINANCING ACTIVITIES		
Acquisition of own shares	-1	-1
External financing received	164.853	281.197
Repayment of interest-bearing liabilities	-222.079	-228.213
NET CASH FROM / USED IN FINANCING ACTIVITIES	**-57.227**	**52.983**
NET DECREASE IN CASH AND CASH EQUIVALENTS	**-234.801**	**-244.853**
Cash and cash equivalents at beginning of period	738.368	629.602
Effect of exchange rate fluctuations	19.239	2.402
CASH AND CASH EQUIVALENTS AT PERIOD END	**522.806**	**387.151**

Notes 1 to 21 form an integral part of the condensed consolidated interim financial statements.

CONTENTS: NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

6. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

NOTE 1 – GENERAL INFORMATION

Acerinox, S.A. (hereinafter the Company) was incorporated with limited liability under Spanish law on 30 September 1970. Its registered office is located at Calle Santiago de Compostela No. 100, Madrid, Spain.

The accompanying condensed consolidated interim financial statements include the Company and all its subsidiaries.

The latest approved annual accounts, which were for 2014, are publicly available at the Company's headquarters or on the Group's website: www.acerinox.es.

These condensed consolidated interim financial statements were authorised for issue by the board of directors on 29 July 2015.

NOTE 2 – STATEMENT OF COMPLIANCE

The condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and specifically International Accounting Standard (IAS) 34 - Interim Financial Reporting. These financial statements do not include all the information required of complete financial statements and should be read and interpreted in conjunction with the Group's published annual accounts for the year ended 31 December 2014.

NOTE 3 – ACCOUNTING POLICIES

The condensed consolidated interim financial statements for the first half of 2015 have been prepared using the same accounting principles (IFRS-EU) as for 2014, except for the standards and amendments adopted by the European Union mentioned below, which are obligatory as of 1 January 2015, and which have not had a significant impact on the Group. These consolidated interim financial statements take into account the published improvements to International Financial Reporting Standards.

At the date of authorisation for issue of these consolidated interim financial statements, new standards and interpretations have been published. These will be obligatory for forthcoming annual periods and have not been applied early. Taking into account the activity of the Group companies, the Company's directors do not expect the future application of the new standards to have a significant impact on the consolidated annual accounts.

NOTE 4 – ACCOUNTING ESTIMATES AND JUDGEMENTS

The accounting estimates and judgements used by the Group during this interim period have been applied consistently with those used for the latest approved annual accounts, which were for 2014.

NOTE 5 - SEASONAL OR CYCLICAL NATURE OF TRANSACTIONS

The Acerinox Group's activities are not seasonal in nature.

NOTE 6 – SIGNIFICANT EVENTS TAKING PLACE IN THE FIRST HALF OF 2015

Markets

Macroeconomic uncertainty in all geographical areas (the Greek crisis, lower growth expectations in China and the USA) are having an impact on the commodities sector, with a knock-on effect on the stainless steel sector.

Nickel basics are good and should allow for price rises once uncertainties are lifted.

The changing nickel trend is expected to bolster activity in the warehousing sector, with a positive impact in the second half of the year.

Gains/losses

Acerinox's results for the first half of 2015 were affected by a complicated market environment and continuous price drops.

The Group's geographical diversification means it has benefitted from the appreciation of the US Dollar, going some way towards alleviating sector troubles. Had the exchange rates in force in the preceding six-month period been maintained, profit for the year would have been 13% lower. Likewise, capital and reserves would have been down 15%.

At Euros 2,315 million, revenues are up 7%.

Personnel expenses and operating expenses have dropped in constant currency, although these costs are up by 7% and 8%, respectively, in view of the appreciation of the US Dollar.

EBITDA, at Euros 204 million, is down 4% on the same period of the prior year.

Profit before tax and non-controlling interests has fallen 14% to euros 96 million.

Profit after tax and non-controlling interests amounts to Euros 64 million, which is 16% less than in the first half of 2014.

NOTE 7 – INTANGIBLE ASSETS

Movement in intangible assets is as follows:

(Expressed in thousands of Euros)

COST	Emission allowances	Industrial property	Computer software and other	SUBTOTAL	Goodwill
Balance at 1 January 2014	**7.680**	**24.312**	**23.195**	**55.187**	**69.124**
Acquisitions	1.228	0	1.052	2.280	
Transfers	0	0	82	82	
Disposals	-1.886	0	-310	-2.196	
Translation differences	0	0	217	217	
Balance at 31 December 2014	**7.022**	**24.312**	**24.236**	**55.570**	**69.124**
Acquisitions	3.004	0	888	3.892	
Transfers	0	0	8	8	
Disposals	-1.828	0	-403	-2.231	
Translation differences	0	0	171	171	
Balance at 30 June 2015	**8.198**	**24.312**	**24.900**	**57.410**	**69.124**

ACCUMULATED AMORTISATION AND IMPAIRMENT	Emission allowances	Industrial property	Computer software and other	SUBTOTAL	Goodwill
Balance at 1 January 2014	**2.835**	**24.310**	**21.397**	**48.542**	**0**
Charges	0	0	667	667	
Impairment	-2.835	0	0	-2.835	
Disposals	0	0	-310	-310	
Translation differences	0	0	195	195	
Balance at 31 December 2014	**0**	**24.310**	**21.949**	**46.259**	**0**
Charges	0	0	314	314	
Disposals	0	0	-403	-403	
Translation differences	0	0	154	154	
Balance at 30 June 2015	**0**	**24.310**	**22.014**	**46.324**	**0**

CARRYING AMOUNT	Emission allowances	Industrial property	Computer software and other	SUBTOTAL	Goodwill
Cost at 1 January 2014	7.680	24.312	23.195	55.187	69.124
Accumulated amortisation and impairment	-2.835	-24.310	-21.397	-48.542	
Carrying amount at 1 January 2014	**4.845**	**2**	**1.798**	**6.645**	**69.124**
Cost at 31 December 2014	7.022	24.312	24.236	55.570	69.124
Accumulated amortisation and impairment	0	-24.310	-21.949	-46.259	
Carrying amount at 31 December 2014	**7.022**	**2**	**2.287**	**9.311**	**69.124**
Cost at 30 June 2015	8.198	24.312	24.900	57.410	69.124
Accumulated amortisation and impairment	0	-24.310	-22.014	-46.324	
Carrying amount at 30 June 2015	**8.198**	**2**	**2.886**	**11.086**	**69.124**

Impairment

As explained in the annual accounts for 2014, the Group has modified its policy for determining impairment on emission allowances; as a result, impairment is now recognised provided that the allowances are earmarked for sale and their carrying amount exceeds their market value. At 30 June 2015 the Group had not recognised any impairment on emission allowances as it expects to consume its allowances in the production process. In June 2014 the Group reversed impairment of Euros 1,125 thousand for emission allowances. As explained in the relevant note to the Group's annual accounts, this has no impact on the income statement. This reversal was recognised in the income statement under other operating income.

NOTE 8 – PROPERTY, PLANT AND EQUIPMENT

Movement in property, plant and equipment is as follows:

(Expressed in thousands of Euros)

COST	Land and buildings	Technical installations and machinery	Other property, plant and equipment	Property, plant and equipment under construction	TOTAL
Balance at 1 January 2014	**661.119**	**2.781.626**	**116.996**	**498.918**	**4.058.659**
Additions	888	18.572	1.743	50.179	71.382
Transfers	45.313	347.159	-34.617	-357.937	-82
Disposals	-4.008	-11.498	-1.729	-4	-17.239
Translation differences	39.106	189.413	3.281	67.552	299.352
Balance at 31 December 2014	**742.418**	**3.325.272**	**85.674**	**258.708**	**4.412.072**
Additions	852	9.871	1.172	20.672	32.567
Transfers	190	5.725	1.305	-7.228	-8
Disposals	-328	-5.240	-1.460	0	-7.028
Translation differences	32.884	162.974	2.595	21.636	220.089
Balance at 30 June 2015	**776.016**	**3.498.602**	**89.286**	**293.788**	**4.657.692**

ACCUMULATED DEPRECIATION AND IMPAIRMENT	Land and buildings	Technical installations and machinery	Other property, plant and equipment	Property, plant and equipment under construction	TOTAL
Balance at 1 January 2014	**266.310**	**1.809.255**	**90.284**	**0**	**2.165.849**
Charges	15.254	126.816	7.608		149.678
Transfers	29	19.591	-19.620		0
Disposals	-2.689	-3.430	-2.948		-9.067
Translation differences	12.515	104.470	3.195		120.180
Balance at 31 December 2014	**291.419**	**2.056.702**	**78.519**	**0**	**2.426.640**
Charges	7.942	70.793	3.122		81.857
Transfers	16	-878	862		0
Disposals	-365	-1.453	-1.334		-3.152
Translation differences	9.438	77.864	2.436		89.738
Balance at 30 June 2015	**308.450**	**2.203.028**	**83.605**	**0**	**2.595.083**

CARRYING AMOUNT	Land and buildings	Technical installations and machinery	Other property, plant and equipment	Property, plant and equipment under construction	TOTAL
Cost at 1 January 2014	661.119	2.781.626	116.996	498.918	4.058.659
Accumulated depreciation and impairment	-266.310	-1.809.255	-90.284	0	-2.165.849
Carrying amount at 1 January 2014	**394.809**	**972.371**	**26.712**	**498.918**	**1.892.810**
Cost at 31 December 2014	742.418	3.325.272	85.674	258.708	4.412.072
Accumulated depreciation and impairment	-291.419	-2.056.702	-78.519	0	-2.426.640
Carrying amount at 31 December 2014	**450.999**	**1.268.570**	**7.155**	**258.708**	**1.985.432**
Cost at 30 June 2015	776.016	3.498.602	89.286	293.788	4.657.692
Accumulated depreciation and impairment	-308.450	-2.203.028	-83.605	0	-2.595.083
Carrying amount at 30 June 2015	**467.566**	**1.295.574**	**5.681**	**293.788**	**2.062.609**

Investments during the period (additions to property, plant and equipment) total Euros 32,567 thousand, of which Euros 9,863 thousand are investments made by Bahru Stainless and Euros 11,140 thousand are investments made by the US company NAS. Investments in the first half of 2014 amounted to Euros 31,518 thousand (Euros 16,928 thousand of which were made by Bahru Stainless).

During 2014, on completion of the start-up period, phase I investments made by the Group company Bahru Stainless were reclassified from work in progress to finished goods. The amount reclassified in this company is Euros 300 million.

Commitments

At 30 June 2015, the Group had entered into contracts to acquire new equipment and installations for Euros 73,031 thousand. The majority of commitments have been taken on by North American Stainless following the approval of the investment in a new cold rolling mill and a bright annealing (BA) line. The commitments taken on by this company amount to Euros 60,448 thousand. At 31 December 2014 the Group had entered into agreements to purchase new equipment amounting to Euros 71,095 thousand, of which Euros 62,530 thousand are for investments in the new Malaysian plant.

NOTE 9 – INVENTORIES

Details are as follows:

(Expressed in thousands of Euros)

	At 30 June 2015	At 31 December 2014
Raw materials and other supplies	270.817	246.119
Work in progress	228.391	179.540
Finished goods	398.540	408.560
By-products, waste and recoverable materials	20.769	16.588
Advances	104	891
TOTAL	**918.621**	**851.698**

The adjustment recognised at 30 June 2015 to measure inventories at their net realisable value amounts to Euros 6,915 thousand (Euros 9,402 thousand at 31 December 2014).

NOTE 10 – FINANCIAL INSTRUMENTS

Details of the Group's financial assets, except investments in associates, at 30 June 2015 and the 2014 year end are as follows:

(Expressed in thousands of Euros)

Classes / Categories	Non-current financial instruments						Current financial instruments					
	Equity instruments		Debt securities		Loans, derivatives and other		Equity instruments		Debt securities		Loans, derivatives and other	
	2.015	2.014	2.015	2.014	2.015	2.014	2.015	2.014	2.015	2.014	2.015	2.014
Loans and receivables					5.640	6.032					703.062	476.547
Held-to-maturity investments												
Assets available for sale												
- At fair value	11.731	8.391										
- At cost	286	10										
Assets at fair value through profit or loss												
- Held for trading											12.971	52.503
- Other												
Hedging derivatives					15.154						10.675	21.617
TOTAL	**12.017**	**8.401**	**0**	**0**	**20.794**	**6.032**	**0**	**0**	**0**	**0**	**726.708**	**550.667**

At 30 June 2015 and the 2014 year end the Group has the following financial liabilities:

(Expressed in thousands of Euros)

Classes / Categories	Non-current financial instruments						Current financial instruments					
	Loans and borrowings		Bonds and other marketable securities		Payables, derivatives and other		Loans and borrowings		Bonds and other marketable securities		Payables, derivatives and other	
	2.015	2.014	2.015	2.014	2.015	2.014	2.015	2.014	2.015	2.014	2.015	2.014
Debts and payables	754.021	895.958	123.844	124.050	2.559	2.582	445.505	334.079	3.603		907.737	915.596
Liabilities at fair value through profit or loss												
- Held for trading											6.534	7.655
- Other												
Hedging derivatives					5.870	20.176					309	433
TOTAL	**754.021**	**895.958**	**123.844**	**124.050**	**8.429**	**22.758**	**445.505**	**334.079**	**3.603**	**0**	**914.580**	**923.684**

NOTE 11 – LOANS AND BORROWINGS

At 30 June 2015 the Acerinox Group's bank financing facilities and private placements amount to Euros 1,900 million, which is very similar to the figure posted at 31 December 2014 (Euros 1,909 million).

The most notable financing operation in the first half of 2015 was carried out by Columbus, which arranged structured syndicated financing with a limit of ZAR 3,500 million (approximately Euros 257 million) to finance its working capital. This operation, denominated "Borrowing Base Facility", is secured by a substantial portion of the current assets of Columbus and was executed in April with a group of banks, led by Deutsche Bank. The banks participating in the operation are Deutsche Bank, Rand Merchant Bank, BBVA, Bankinter, Banco Santander, Nedbank, Banco Sabadell, Caixabank, HSBC and Investec. The financing is subject to compliance with two covenants, one of which requires a minimum level of capital and reserves in Columbus, while the other stipulates a maximum amount of debt. Columbus complied with both covenants at the end of the half-year period. At 30 June 2015, Columbus had drawn down ZAR 1,600 million of financing (Euros 114.6 million).

The Acerinox Group has satisfactorily met the repayment schedules for its financial debt.

The amortised cost of financial instruments does not differ significantly from their fair value.

The other loans that are subject to compliance with ratios are detailed in the Group's consolidated annual accounts at 31 December 2014. In the case of loans subject to mandatory compliance with ratios at the end of the half-year period, the Group has complied with the ratios in question. No problems are foreseen in complying with these ratios at year end.

On 6 January 2015, the second issue of straight bonds of Acerinox, S.A. was admitted to trading on AIAF (fixed income securities market). This issue, amounting to Euros 50 million, bears interest at 3-month Euribor + 1.75%, and was issued through the prospectus registered with the CNMV on 17 July 2014. The operation is part of the plan to diversify sources of financing that commenced in July 2014 with the first issue, and allows Acerinox to reduce the average cost of its debt.

NOTE 12 – DERIVATIVE FINANCIAL INSTRUMENTS

The Group classifies derivative financial instruments that do not qualify for hedge accounting as assets or liabilities at fair value through profit or loss. Those which qualify as hedging instruments are classified as hedging derivatives.

As stated in the Group's annual accounts, in relation to market risk, the Group is essentially exposed to three types of risk in its activities: currency risk, interest rate risk and commodity price risk. The Group uses derivative financial instruments to hedge its exposure to certain risks.

A breakdown of the Group's financial derivatives at 30 June 2015 and 31 December 2014 by type of hedged risk is as follows:

(Expressed in thousands of Euros)

	2015		2014	
	Assets	Liabilities	Assets	Liabilities
Exchange rate insurance	14.582	6.534	54.559	7.683
Interest rate swaps	0	6.179	52	8.534
Cross-currency swaps	24.218	0	19.509	12.047
TOTAL	**38.800**	**12.713**	**74.120**	**28.264**

Derivative financial instruments are measured at fair value and classified, depending on the valuation method used, into the following levels:

LEVEL 1: quoted prices in active markets
LEVEL 2: observable market variables other than quoted prices
LEVEL 3: variables not observable in the market

Details at 30 June 2015 and 31 December 2014 are as follows:

(Expressed in thousands of Euros)

	30/06/2015			31/12/2014		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
Available-for-sale financial assets	11.731			8.391		
Financial derivatives (assets)		38.800			74.120	
TOTAL	**11.731**	**38.800**	**0**	**8.391**	**74.120**	**0**
	LEVEL 1	**LEVEL 2**	**LEVEL 3**	**LEVEL 1**	**LEVEL 2**	**LEVEL 3**
Financial derivatives (liabilities)		12.713			28.264	
TOTAL	**0**	**12.713**	**0**	**0**	**28.264**	**0**

As illustrated by the table, no financial assets or financial liabilities at fair value have been transferred between levels.

In the case of Level 2 financial instruments, the Group uses generally accepted valuation techniques that take into account spot and future exchange rates at the valuation date, forward interest rates, interest rate spreads and credit risk of both the Group and its counterparty, i.e. the financial institution with which it operates.

NOTE 13 – APPLICATION OF LOSSES AND DISTRIBUTION OF DIVIDENDS

At their general meeting held on 3 June 2015, the shareholders agreed that the Parent's losses for 2014, amounting to Euros 16,408 thousand, should be carried forward as prior years' losses.

At the same meeting the shareholders also agreed to increase share capital with a charge to reserves by issuing ordinary shares to be allocated to the shareholders free of charge. Following the shareholders' meeting, on 3 June the board of directors agreed to implement the share capital increase by means of a flexible dividend, known as a “scrip dividend”.

Based on the agreements reached by the shareholders and the board of directors, those parties who were shareholders of Acerinox at 23:59 hours on 16 June 2015 were to be allocated one right for each share held in the share capital increase. The rights were traded on the stock exchange from 17 June to 1 July 2015 and entitled the shareholders to choose between the following options:

- Sell the rights to the Company for Euros 0.449 per right between 17 June and 25 June inclusive.
- Sell the rights on the stock exchange at the listed market price from 17 June to 1 July 2015 inclusive.
- Subscribe shares in Acerinox on the basis of one (1) new share for every thirty-one (31) rights allocated to them on 16 June 2015.

On 27 June 2015 the definitive amount of the dividend payable and the details of the share capital increase were established, as follows:

- 106,539,278 rights were sold to Acerinox for Euros 0.449 per right, with the Company therefore paying out Euros 47,836,135.82 to its shareholders on 6 July 2015.

- 5,005,253 new shares were issued in the share capital increase. These shares will be listed prior to the end of July 2015.

At the end of the half-year period, the Company has recognised the dividend payable as a reduction in reserves, and has recorded a liability under other current financial liabilities.

NOTE 14 - CHANGES IN THE CONSOLIDATED GROUP

The only change in the Acerinox consolidated group has been the acquisition of the remaining non-controlling interest of 1.67% in the Spanish trading companies Inoxcenter, S.L and Metalinox Bilbao, S.A., giving Acerinox, S.A. a 100% stake in these two companies. These shares were purchased for Euros 1,530 thousand. The Euros 1,241 thousand difference between the acquisition price and the carrying amount of the non-controlling interest was taken to equity.

NOTE 15 – TAXATION

The tax rate resulting from the Group's consolidated income statement for the reported interim period was 40.4%, compared with 36.1% for the same period in the prior year.

During this period there have not been any significant changes in legislation regarding tax rates, except for those derived from tax reforms in Spain, which have already been explained in the annual accounts for 2014.

With respect to the tax inspections and lawsuits in progress, mentioned in the Acerinox Group's annual accounts for 2014, the following changes have occurred in the first half of the year.

- For the inspection of Acerinox Italia, suspension of the debt arising from the additional tax assessments raised for 2009 has been approved, provided that bank guarantees are produced**.** The Group intends to follow the same procedure as with previous assessments.

- The inspection of the Group entity Columbus with regard to transfer prices for 2010 to 2012, which commenced in 2014, has been completed. To date, only the conclusions report for 2010 has been received. This report initially indicates adjustments of Euros 13 million to the tax base, although these do not give rise to any payables in South Africa, as the company has available tax loss carryforwards. The report does not impose any penalties. At present, the inspection is open to objections, which may be lodged with the South African taxation authorities (SARS). The company considers the facts on which the proposed adjustments are based to be incorrect, and also considers the interpretation of the applicable legislation to be erroneous, as this legislation is not in line with the principles or any of the methods approved by OECD guidelines. The company has filed its objections and expects to receive a response in the coming months.

On 15 April 2015 the Group was notified of the commencement of an inspection of its import duties and VAT for 2013. This inspection is still underway.

On 22 June, the Group company Bahru Stainless received confirmation from the Ministry of Economy of fiscal aid in respect of investments made in the country in 2009 to 2014. This aid consists of income tax deductions for an amount equal to the investments made in certain items of property, plant and equipment. In the coming months, the complementary tax returns accrediting the amount of aid receivable will be filed.

NOTE 16 – LITIGATION

There have been no significant cases of litigation during the period.

NOTE 17 – CONTINGENT ASSETS AND LIABILITIES

At the end of the half-year period, the Group has no new contingent assets or liabilities other than those mentioned in the annual accounts for 2014.

NOTE 18 – SEGMENT REPORTING

As described below, the Group is organised internally into operating segments, which are strategic business units. The strategic business units have different products and services and are managed separately. Group management reviews internal reports for each unit at least monthly.

The operating segments presented by the Group, associated with the types of products it sells, are as follows:

- Flat stainless steel products: slabs, coils, plates, flats, circles and sheets.
- Long stainless steel products: bars, angles, wires and wire rod.
- Other: other stainless steel products not included in the previous segments.

The "unallocated" portion reflects the activities of the holding company and activities that cannot be allocated to specific operating segments.

Segment results, assets and liabilities include all items directly or indirectly attributable to a segment. No significant assets are shared between segments and, considering the importance of flat stainless steel products, any assets that could be attributed to both segments are assigned to the flat segment.

Inter-segment sales prices are established in accordance with normal commercial terms and conditions governing unrelated third parties.

A segment's performance is measured by its net pre-tax profit. The Group considers this information to be the most relevant in evaluating a segment against other comparable segments in the sector.

18.1 Operating segments

Details of revenues by operating segment are as follows:

(Expressed in thousands of Euros)

	30/06/2015			30/06/2014		
	Revenues from external customers	**Inter-segment revenues**	**Total revenues**	**Revenues from external customers**	**Inter-segment revenues**	**Total revenues**
Flat products	1.998.625	149.660	2.148.285	1.857.609	150.118	2.007.727
Long products	322.275	9.554	331.829	317.431	9.912	327.343
Other stainless steel products	8.786		8.786	5.741		5.741
(-) Adjustments and elimination of inter-segment revenues		-159.214	-159.214		-160.030	-160.030
TOTAL	**2.329.686**	**0**	**2.329.686**	**2.180.781**	**0**	**2.180.781**

Details of consolidated profit by operating segment are as follows:

(Expressed in thousands of Euros)

	At 30 June 2015	At 30 June 2014
Flat products	105.670	111.237
Long products	24.283	34.319
Other stainless steel products	1.409	2.041
Total revenues from reported segments	**131.362**	**147.597**
(+/-) Unallocated loss	-35.339	-36.064
(+/-) Elimination of internal profit/loss (inter-segment)		
(+/-) Other profit/loss		
PRE-TAX PROFIT	**96.023**	**111.533**

18.2 Geographical segments

Revenue from geographical segments is presented on the basis of customer location.

Details of revenue by geographical area at 30 June 2015 and 2014 are as follows:

(Expressed in thousands of Euros)

	At 30 June 2015	At 30 June 2014
Spain	225.032	200.627
Rest of Europe	667.533	613.655
Americas	1.072.473	1.057.904
Africa	120.954	123.716
Asia	222.201	162.816
Other	7.029	11.272
TOTAL	**2.315.222**	**2.169.990**

NOTE 19 – AVERAGE HEADCOUNT

The average headcount of the Group in the first half of 2015 is 6,771 employees (6,793 employees in the first half of 2014). The headcount at 30 June is 6,809 employees (6,713 employees at 30 June 2014).

NOTE 20 – RELATED PARTY TRANSACTIONS

- **Identity of related parties**

The consolidated financial statements include transactions with the following related parties:

- Equity-accounted associates.
- Key management personnel of the Group and members of the boards of directors of Group companies, and their related parties.
- Significant shareholders of the Parent.

Transactions between the Company and its subsidiaries, which are related parties, are carried out in the ordinary course of the Company's business and have been eliminated on consolidation. Therefore, they are not disclosed in this note.

All transactions between related parties are carried out under market conditions.

Details of transactions with related parties are as follows:

- **Balances and transactions with associates**

The Group did not conduct any transactions with associates during this interim period or during the same period of 2014.

- **Balances and transactions with significant shareholders**

At 30 June 2015 the Group has entered into the following financing transactions with Banca March, part of the March Group (shareholder of Corporación Financiera Alba), all of which are under market conditions:

- Non-current loan of Euros 30 million, which has been drawn down in full.
- A credit facility for an amount of Euros 4 million, which has not been drawn down at the end of the half-year.
- Guarantees totalling Euros 0.06 million.
- Confirming (reverse factoring) facilities for Euros 16 million, of which Euros 3.99 million has been drawn down.
- Non-recourse factoring facilities for Euros 70 million, of which Euros 50.36 million has been drawn down.

Transactions with this same entity at 30 June 2014 were as follows:

- Non-current loan of Euros 34 million, of which Euros 30 million has been drawn down.
- Credit facilities drawn down in an amount of Euros 0.09 million.
- Guarantees totalling Euros 0.06 million.
- Confirming (reverse factoring) facilities for Euros 16 million, of which Euros 14.02 million has been drawn down.
- Non-recourse factoring facilities for Euros 105.23 million, of which Euros 35.23 million has been drawn down.

Insurance premiums brokered through March-JLT Correduría de Seguros amount to Euros 7,527 thousand at 30 June 2015 (Euros 9,802 thousand in 2014).

The balance of transactions with Banca March is as follows:

(Expressed in thousands of Euros)

	At 30 June 2015	At 30 June 2014
Interest expense	647	830
Fee and commission expenses	51	31
Total	**698**	**861**

The Acerinox Group has also carried out the following transactions with its shareholder Nisshin or other companies belonging to its group:

(Expressed in thousands of Euros)

	At 30 June 2015	At 30 June 2014
Management or cooperation agreements		71
Services received	289	179
Sale of goods	19	21
Venta de bienes	412	760

At period end receivables from the Nisshin group amount to Euros 304 thousand (Euros 387 thousand at 30 June 2014).

- **Directors and key management personnel**

Remuneration received by the members of senior management who do not hold positions on the board of directors of Acerinox, S.A. amounts to Euros 1,367 thousand at 30 June 2015 (Euros 927 thousand in the same period of 2014). Euros 420 thousand of this amount reflect salaries (Euros 431 thousand in 2014), Euros 50 thousand are allowances (Euros 44 thousand in 2014) and Euros 897 thousand are other remuneration (Euros 452 thousand in 2014).

At 30 June 2015, the members of the board of directors of Acerinox, S.A., including those that hold key management positions and sit on the boards of other Group companies, have received Euros 1,414 thousand in fixed remuneration for attending board meetings and fixed and variable salaries (Euros 1,060 thousand in the same period of 2014), of which Euros 570 thousand reflect salaries and fixed board member remuneration (Euros 574 thousand in 2014), Euros 194 thousand are allowances (Euros 194 thousand in 2014) and Euros 650 thousand are other remuneration (Euros 292 thousand in 2014).

Long-term commitments with senior management personnel have been accounted for correctly and are adequately covered through insurance contracts. At 30 June 2015 and 2014 no advances or loans have been extended to the members of the board of directors or senior management personnel and the Company has no balances receivable from or payable to these executives.

All transactions carried out between members of the board of directors and the Company or Group companies in the first half of 2015 have been ordinary transactions under market conditions.

The directors of the Company and their related parties have had no conflicts of interest requiring disclosure in accordance with article 229 of the Revised Spanish Companies Act.

NOTE 21 – EVENTS AFTER THE REPORTING PERIOD

Scrip dividend

On 6 July Acerinox, S.A. paid out Euros 47,836,135.82 to those shareholders who sold their rights to the Company.

The share capital increase, through the issue of 5,005,253 shares derived from the scrip dividend, was filed at the Madrid Mercantile Registry on 13 July. These new shares were admitted to trading on 20 July 2015.

INTERIM MANAGEMENT REPORT

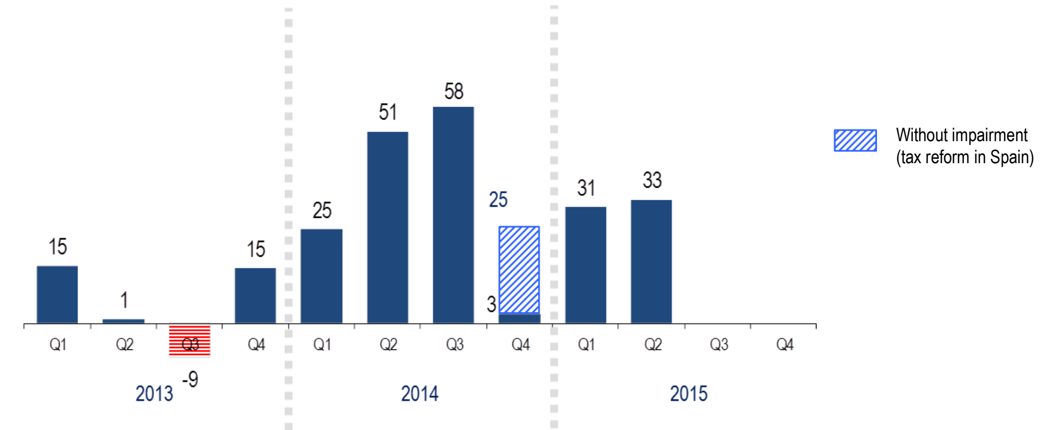
FIRST HALF 2015

Results for 1st Half 2015

- In the first half of 2015 Acerinox obtained a profit of 63.9 million euros, after taxes and minority interests, 16% less than in the same period of the previous year
- The macroeconomic uncertainties in all geographic regions are affecting the commodities sector and, consequently, the stainless steel sector.
- Melting production, at 1,211,861 tonnes, has decreased by 3% compared to the first half of 2014
- EBITDA generated in these two quarters, 203.6 million euros, is 4% lower than in the first half of last year
- Net financial debt is 801 million euros (828 million to 30 June 2014)
- In July, Acerinox distributed a dividend of 0.449 euros per share through a scrip dividend. 59% of shareholders chose to take on new shares
- Excellence Plan IV 2015-2016 is progressing better than expected and 57% of targets have been met in the first half of the year, which we value at 38 million euros
- Investment of 116 million euros have been announced in a bright annealing line and cold-rolling mill in NAS
- Columbus Stainless Pty Ltd has signed a secured borrowing base facility for 3,500 million rands (275 million euros), for 3 years

Results after tax and minority interests

Millions of euros



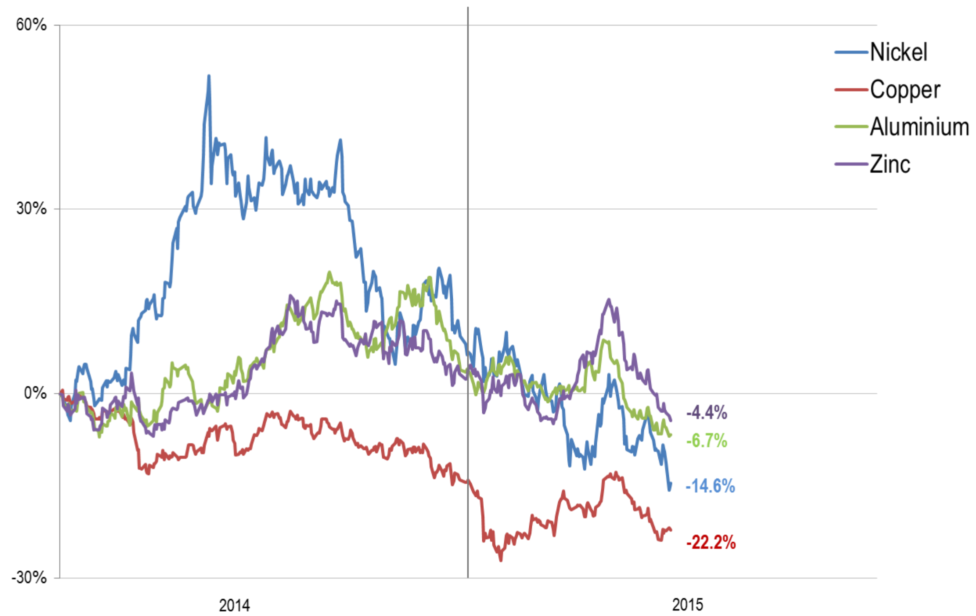
Stainless Steel Market

The first half of 2015 has been marked by economic uncertainties in all geographic regions:

- In Europe, stresses resulting from the possible Greek default on its debt, as well as its continuity in the euro zone.
- Lower expectations of growth in China
- The downward revisions of American growth as a result of the weak start to the year.
- The fragility of emerging economies.

These uncertainties are affecting raw materials, and consequently, the stainless steel sector.

Official raw material prices on the LME
Years 2014 - June 2015



In terms of nickel, which is so important for manufacturing stainless steel, analysts agree that its fundamentals are good, therefore its price should increase once these uncertainties are allayed.

On producing this change in the trend for nickel, activity in the wholesale sector will increase which will have a positive impact on our results.

As can be seen in the following graph, the trend of nickel since the second half of last year is continually falling, reaching a low for the six-months on 29 June of 11, 788 USD/ tons, a price that we have not seen since 2009.

Official price of nickel on the LME

Years 2014 - June 2015

Europe

The economic recovery and the competitiveness of the Euro are contributing to an increase in the final consumption of stainless steel. Even so, the high stock level at the end of 2014, caused by strong imports, together with the continuous fall in the price of nickel, have caused in the first half of 2015 a decrease in apparent consumption, of 7.7%, according to our estimates. The situation is stabilising and apparent consumption only fell 0.7% in June.

Imports are decreasing and fell by 16% in the first half of the year. Nevertheless, prices remain at low levels as a result of the downward trend of nickel prices, which is delaying order entries.

According to our estimates, stock excesses have been corrected in the first half of the year and have become normalised.

Rationalisation plans in the European industry are ongoing. As was expected, the Bochum (Outokumpu) melting shop closed at the end of June.

North America

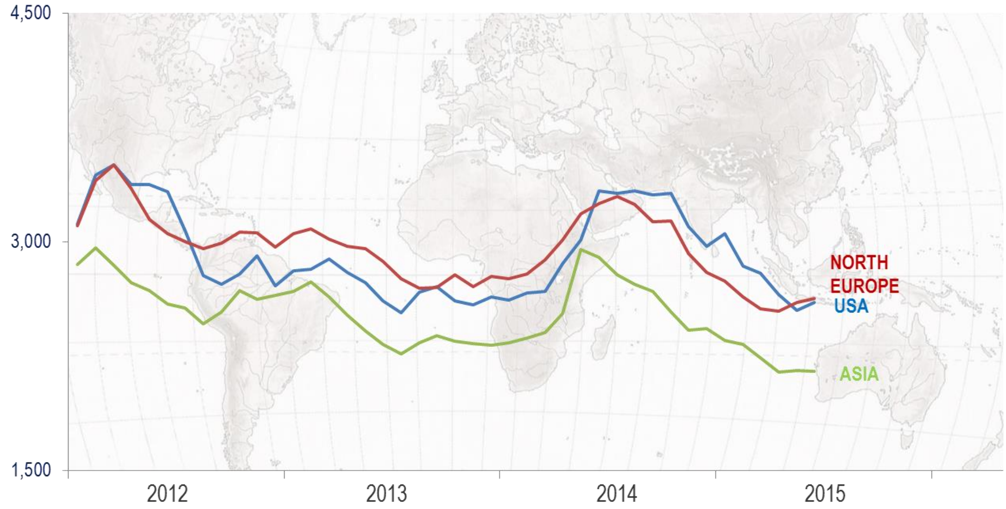
The strength of the American market in 2014 attracted greater imports, a phenomenon which has been bolstered in 2015 through European anti-dumping measures. In the first half of the year imports rose by 38%.This strong competency, together with the continued fall in the price of nickel has affected both the alloy surcharge and base prices.

The most recent data for the American economy are positive. According to the U.S. Census Bureau the construction sector has increased by 5%, white goods by 6% and the automobile sector by 6%. Among the final uses of stainless steel, only the energy sector shows signs of weakness. Despite this, in the six months, on the whole, the wholesale sector has been delaying purchasing, expecting lower prices, and apparent consumption has decreased by 2.7% according to our estimates.

In June, imports began to normalise and stocks have begun to decrease.

Stainless Steel sheet prices cold-rolled 2.0 mm AISI 304

Years 2012 - June 2015



Source: Platts

Asia

Slower growth in the Chinese economy is aggravating the situation of oversupply in the region. This condition is also reinforced by the existence of tariff measures in various countries in the ASEAN region.

Even so, China is consolidating its growth, India is showing strength and the ASEAN countries continue to be dynamic economies.

The potential growth in this region and the supply-demand equilibrium will enable prices, currently at minimum levels, to increase.

South Africa

Like the other regions, South African apparent consumption has decreased by 7% to May. The South African economy, like that of other emerging countries, has lost strength in recent months.

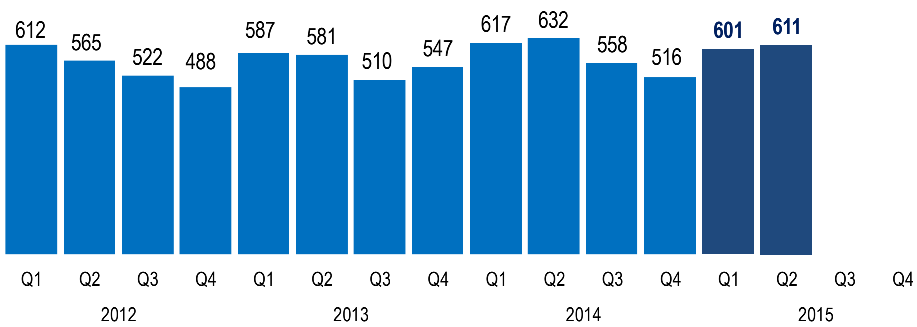
The sale of automobiles, one of the main consumer sectors in South Africa, has decreased by 2% compared to the first half of 2014. There was a 10% decline in the construction of residential homes.

Production

Melting production, at 1,211,861 tonnes, has decreased by 3% compared to the first half of 2014, due to the aforementioned circumstances. Production in the second quarter is 2% higher than in the first one.

Quarterly Melting Shop production

Thousands of tonnes



For its part, cold-rolling production, at 825,471 tonnes, is 4% higher than in the first half of 2014. Production in the second quarter is 9% higher than in the previous quarter.

Acerinox Production

		2015					2014	Variation (%)
		1Q	2Q	3Q	4Q	Accumulated	Jan-Jun	
Melting shop	Thousand Mt	600.5	611.3			1,211.9	1,251.4	-3.2%
Hot rolling shop	Thousand Mt	524.3	536.1			1,060.4	1,094.0	-3.1%
Cold rolling shop	Thousand Mt	395.1	430.4			825.4	796.1	3.7%
Long product (Hot rolling)	Thousand Mt	57.0	60.7			117.7	126.4	-6.9%

Hot-rolling production of long products, at 117,654 tonnes, is 7% lower than for the same period of the previous year. Production in the second quarter is 6% higher than in the first quarter.

Bahru Stainless continues growing despite the difficult market conditions and its cold-rolled production has increased by 53%.

Results

Acerinox's results for the first half of 2015 have been affected by a complicated market environment, with prices that are in continuous decline.

In this environment, we are pleased with the results obtained, as a result of the level of efficiency achieved by the Company.

Condensed Profit and Loss account

Millions of euros

			January - June		
	Q1	Q2	2015	2014	Variation
Net sales	**1,144.31**	**1,170.91**	**2,315.22**	**2,169.99**	**6.7%**
EBITDA	**102.55**	**101.08**	**203.63**	**212.99**	**-4.4%**
% over sales	*9.0%*	*8.6%*	*8.8%*	*9.8%*	
EBIT	**61.89**	**58.92**	**120.81**	**137.79**	**-12.3%**
% over sales	*5.4%*	*5.0%*	*5.2%*	*6.3%*	
Result before taxes	**48.20**	**47.82**	96.02	111.53	-13.9%
Result after taxes and minorities	**31.01**	**32.91**	**63.92**	**76.10**	**-16.0%**
Depreciation	40.42	41.75	82.17	74.11	10.9%
Net cash flow	71.43	74.67	146.09	150.21	-2.7%

The geographic diversification of the Group allows us to benefit from the appreciation of the Dollar, partially easing the previously described difficulties in the sector.

Net sales has increased by 7% to 2,315 million euros.

Personnel costs and operating expenses have decreased in constant currency, though due to the appreciation of the Dollar, they have risen by 7% and 8% respectively.

EBITDA, at 204 million euros, is 4% lower than the same period last year.

Profit before taxes and minority interests decreased by 14% reaching a total of 96 million euros.

Profit after taxes and minority interests is 64 million euros, 16% less than the first half of 2014.

On 30 June, 2015, Acerinox had 1.9 billion euros in credit lines, 30% of which is available.

Net financial debt totals 801 million euros, a decrease of 53 million euros compared to the figure for 31 March 2015.

Condensed balance sheet
Millions of euros

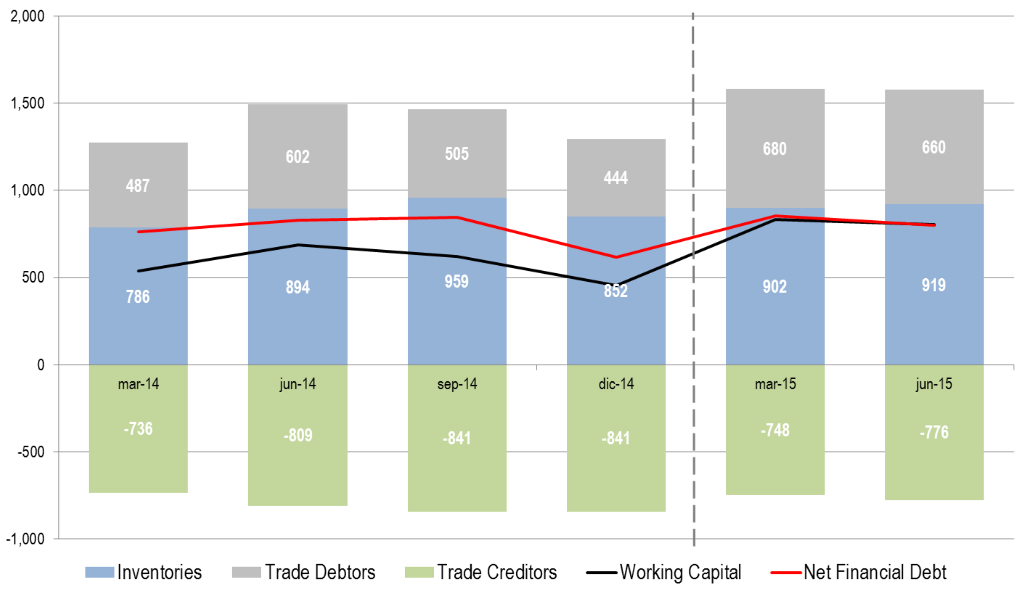
	Jun 15	2014	Variation
Non-current assets	**2,362.58**	**2,270.43**	**4.1%**
Current assets	**2,186.35**	**2,159.12**	**1.3%**
- Inventories	918.62	851.70	7.9%
- Debtors	704.82	475.19	48.3%
Trade debtors	*660.15*	*443.56*	*48.8%*
Other debtors	*44.68*	*31.62*	*41.3%*
- Cash and other current assets	562.90	832.24	-32.4%
TOTAL ASSETS	**4,548.93**	**4,429.55**	**2.7%**

	Jun 15	2014	Variation
Equity	**2,047.47**	**1,856.13**	**10.3%**
Non-current liabilities	**1,137.01**	**1,279.66**	**-11.1%**
- Interest-bearing loans and borrowings	877.86	1020.01	-13.9%
- Other non-current liabilities	259.15	259.66	-0.2%
Current liabilities	**1,364.45**	**1,293.76**	**5.5%**
- Interest-bearing loans and borrowings	445.51	334.08	33.4%
- Trade creditors	776.49	841.07	-7.7%
- Other current liabilities	142.45	118.61	20.1%
TOTAL EQUITY AND LIABILITIES	**4,548.93**	**4,429.55**	**2.7%**

Compared to 31 December 2014, inventories increased by 67 million euros, debtors by 217 million euros, and creditors decreased by 65 million euros. Operating working capital has decreased by 349 million euros.

The main reason for this increase has been the greater use of factoring and confirming compared to December 2014, due to the excellent liquidity situation in the markets and Acerinox.

Evolution of Working Capital
Millions of euros (Years 2014-2015)



Cash flows generation is determined in large part by changes in working capital, which are themselves influenced by the use or lack thereof of financial instruments, such as factoring or confirming.

The total cash flow generated in the six-month period, shown in the following table, -177.6 million euros, would have been positive, at 226 million euros, if the factoring and confirming lines available to the Group had been used to the same extent as in December 2014.

Cash flow statement

Millions of euros

	Jan-Jun 2015	Jan-Dec 2014	Jan-Jun 2014
Result before taxes	**96.0**	**243.8**	**111.5**
Adjustments for:	**106.3**	**227.7**	**94.5**
Depreciation and amortisation	*82.2*	*150.3*	*74.1*
Changes in provisions and impairments	*-4.1*	*-2.6*	*-5.9*
Other adjustments in the result	*28.1*	*80.0*	*26.3*
Changes in working capital	**-243.5**	**-261.4**	**-392.7**
Changes in operating working capital	*-348.1*	*-213.2*	*-446.0*
· Inventories	*-66.9*	*-122.1*	*-164.4*
· Trade debtors	*-216.6*	*-66.9*	*-225.2*
· Trade creditors	*-64.6*	*-24.1*	*-56.3*
Others	*104.6*	*-48.3*	*53.2*
Other cash-flow from operating activities	**-101.5**	**-160.2**	**-76.5**
Income tax	*-80.0*	*-103.4*	*-51.1*
Financial expenses	*-21.5*	*-56.8*	*-25.4*
NET CASH-FLOW FROM OPERATING ACTIVITIES	**-142.7**	**49.9**	**-263.2**
Payments for investments on fixed assets	**-32.3**	**-74.2**	**-34.0**
Others	**-2.6**	**-3.1**	**-0.6**
NET CASH-FLOW FROM INVESTING ACTIVITIES	**-34.9**	**-77.3**	**-34.7**
NET CASH-FLOW GENERATED	**-177.6**	**-27.4**	**-297.8**
Acquisition of treasury shares	**0.0**	**0.0**	**0.0**
Dividends payed to shareholders and minorities	**0.0**	**-56.1**	**0.0**
Changes in net debt	**-57.4**	**151.2**	**52.7**
Changes in bank debt/private placement	*-30.7*	*195.2*	*56.3*
Conversion differences	*-26.6*	*-44.0*	*-3.5*
Attributable to minority interests	**0.0**	**0.0**	**0.0**
Others	**0.1**	**0.0**	**0.3**
NET CASH-FLOW FROM FINANCING ACTIVITIES	**-57.2**	**95.0**	**53.0**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**-234.8**	**67.7**	**-244.9**
Opening cash and cash equivalents	**738.4**	**629.6**	**629.6**
Effect of the exchange rate fluctuations on cash held	**19.2**	**41.1**	**2.4**
CLOSING CASH AND CASH EQUIVALENTS	**522.8**	**738.4**	**387.2**

Return to Shareholders

The Ordinary General Shareholders Meeting held on 03 June 2015 adopted the formula of scrip dividend in which the shareholders of Acerinox were able to decide between receiving cash (0.449 euros/share) or new shares.

On Monday 20 July, 5,005,253 new shares of Acerinox, S. A. were released, as a result of the option to collect the dividend in shares, the option chosen by 59.3% of the shareholders of the Company's Share Capital. The number of shares in Acerinox, S.A. is currently 266,707,393.

We believe that it is important to emphasise the good response that this measure has once again had. 59% of shareholders chose to receive the dividend in new shares.

Excellence Plan IV 2015 – 2016

In the first six months of the Excellence Plan IV 2015 – 2016, 57% of the biennial targets were been achieved, which we value at 38 million euros in recurring annual savings.

New areas of business have been incorporated into this Plan for the first time, such as Bahru Stainless, and all units have been developing very successfully.

Investments

On 26 March, we announced the investment of 116 million euros to develop a bright annealed BA finish line and a cold-rolling mill, in order to increase the production capacity and expand the range of final products of our North American Stainless (NAS) factory in Kentucky.

With this new line, NAS will manufacture stainless steel with a bright finish. This investment stems from high annual consumption of this product coupled with the fact that, lacking internal production, most of it must be imported.

Acerinox will thus become the main producer of this material on American soil, reducing delivery time and transport and import costs, as well as offering North American customers more competitive prices. Furthermore, the NAS sales team's knowledge of clients places the company in a very competitive position compared to its competitors.

NAS will thus take a qualitative leap forwards, specialising in high value added products that will increase its percentage of steel and hot rolling capacity, thereby improving the competitiveness of all its facilities.

With this strategic move, Acerinox will reinforce its position as current market leader in the US, where it enjoys an impressive market share and is the number one company in terms of volume and billing.

BA finishing, or mirror finishing, stands out for its bright surface and is highly resistant to corrosion, as well as being very easy to clean, making it a convenient product for numerous sectors, such as appliances, automobiles, chimneys, tanks for trucks, cutlery and decoration, among others.

Syndicated Financing

Columbus has signed a secured borrowing base facility for up to 3,500 million rands (275 million euros), for 3 years.

The contract has been signed with 10 international banks, led by Deutsche Bank, which acted as agent bank and global coordinator. BBVA, Rand Merchand Bank and Bankinter co-led the operation. Banco Santander, Nedbank, Banco Sabadell, HSBC, Caixabank and Investec participated as financing banks. The operation has been overwritten 1.3 times.

This contract allows Columbus to finance its current and future working capital needs which could occur before increases in price and activity.

Anti-dumping

The European Commission, in the anti-dumping proceeding against Chinese and Taiwanese manufacturers of cold-rolled stainless steels flat products, imposed provisional measures of 25% and 11% respectively. The final measures will be made public in September.

Financial Risk Management

In the first half of the year, Acerinox has tackled the same risks described in the recent approved Financial Statements. The policies focused on its management, also described in that report, have not changed.

Management of financial risks relating to exchange rate, price and credit risk reflects what was already described in the Financial Statements approved for the 2014 financial year.

In terms of liquidity risk, Acerinox keeps 1.9 billion euros in effective funding lines, 30% of which is available. The net debt to 30 June increased to 801 million euros. Cash balances rose to 523 million euros.

The Acerinox Group has adequately addressed the amounts of their financial debts as they have matured.

Regarding debt conditional on compliance with ratios, the Acerinox Group fulfilled all stipulated ratios with quarterly and/ or half-yearly calculations.

In terms of interest rate risk, Acerinox has 59% of its long-term debt secured with a fixed rate at an average rate of 3.1%. The average cost of Acerinox long-term debt is 2.6%.