



**Results
as of 31 March 2016**



Presentation of the Results for the First Quarter of 2016 via Webcast and Conference Call

Acerinox will hold a presentation of the results for the First Quarter of 2016, in English, today, 28 April, at noon CET, directed by the Chief Financial Officer of the Company, Miguel Ferrandis, accompanied by the Investor Relations team.

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

Calls from the United Kingdom: +44 (0)2077509908

Calls from Spain and other countries: +34 91 790 08 82

You can follow the presentation through the Shareholders and Investors section of the Acerinox website (www.acerinox.com).

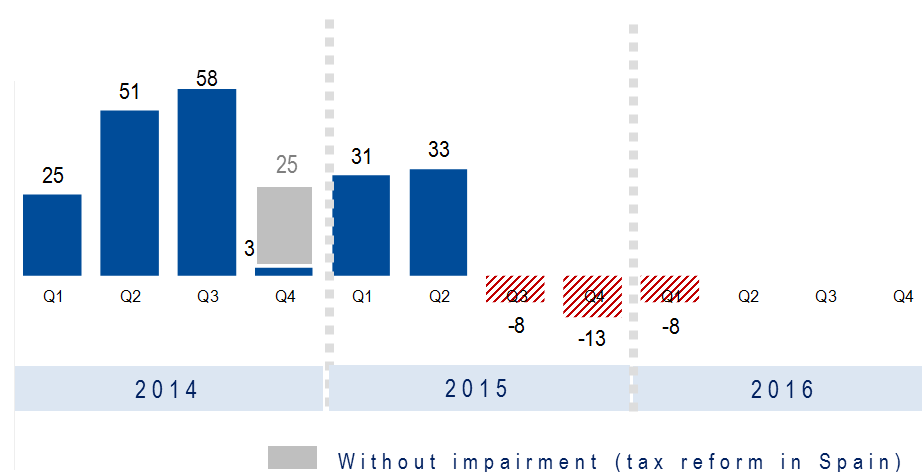
Both, the presentation and all the audio-visual material, will be available on the Acerinox website.

Results for the First Quarter 2016

- Acerinox obtained a profit, after tax and minority interests, of EUR -8 million (31 million in the First Quarter of 2015), affected by the continued drop in the price of nickel
- The Group's turnover of EUR 953 million decreased by 16.7% as compared to the same period of the previous year, due to the low final prices in all markets
- An EBITDA of EUR 41 million was generated after making an inventory adjustment of EUR 9 million
- The cash flow from operating activities amounts to EUR 45 million
- The net financial debt of the Group is EUR 693 million (711 million as of 31 December 2015)
- The March results have been positive and will continue improving in the Second Quarter, provided that raw material prices stabilise.
- The Board of Directors will propose a dividend of EUR 0.45 per share using the Scrip Dividend formula, at the Annual General Meeting of Shareholders
- The Group is in advanced stage of its debt refinancing to improve financial costs and extend maturities

Results After Tax and Minority Interests

Millions of euros



Stainless Steel Market

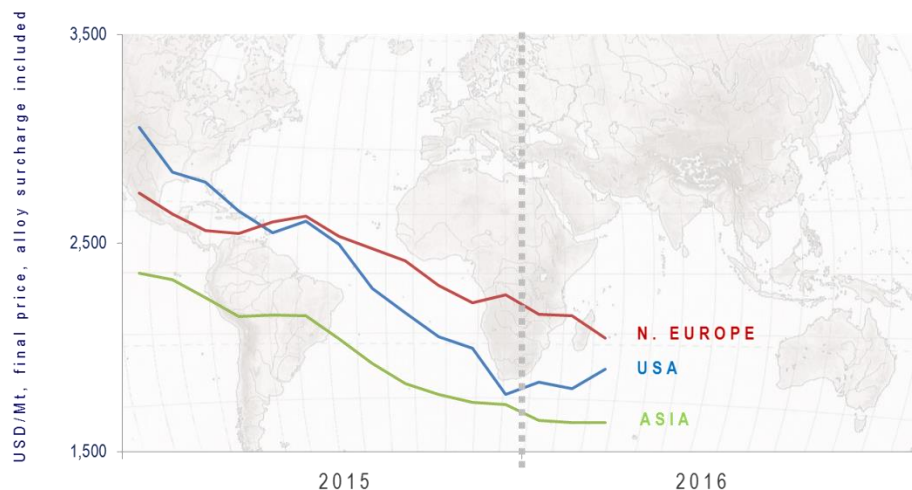
The First Quarter of 2016 has been characterized by the same variables that hampered business in 2015: the continuous fall in raw material prices, the flood of Asian imports and the inventories reduction in the wholesale sector.

The fall in nickel prices, and the consequent reduction of the alloy surcharge, has precluded the replenishment of stocks which traditionally takes place in the First Quarter of the year.

At the close of the First Quarter, real demand remained strong in all markets. Inventory levels are already adjusted, even below normal rates, and our order book has shown improvements.

Prices of Stainless Steel Coil | 2.0mm cold-rolled AISI 304

2015 – March 2016



Source: Platts

In **Europe**, imports of cold rolled material from China have decreased, but products originating in other countries, notably Korea and Taiwan, have risen in recent months. These imports have increased by 16%, reaching a market share of 22%, according to our estimates.

Once inventories in the **United States** have normalised, clear signs of improvement can be seen in market fundamentals.

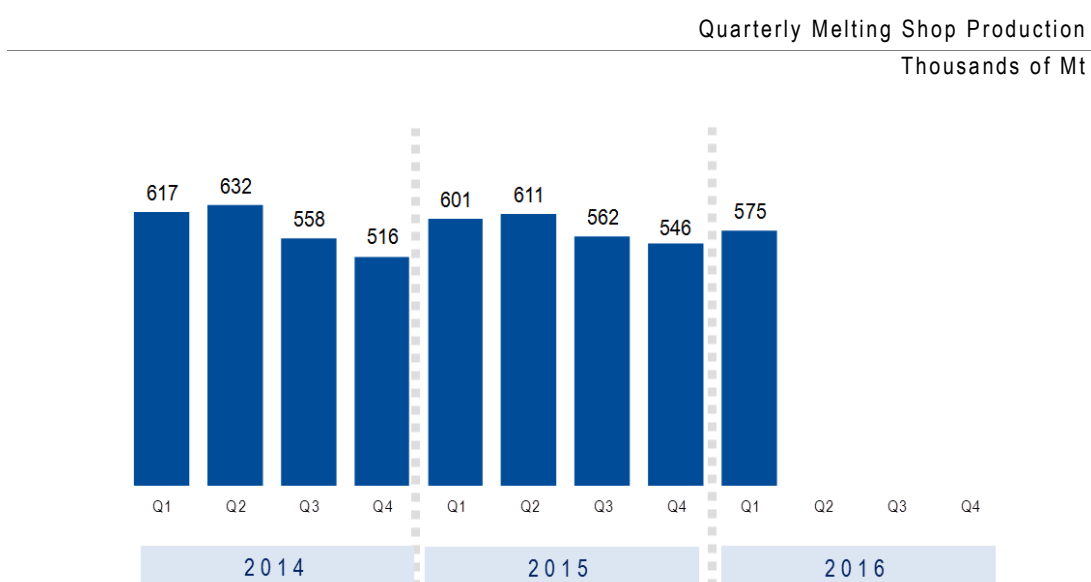
Base prices, which fell sharply in 2015, are recovering, and two price increases were consolidated during the First Quarter, the last one in March. In addition, North American Stainless has announced an additional increase for shipments starting on the 1st of May.

The Department of Commerce has begun proceedings in the anti-dumping case against China, and we hope it will announce preliminary measures at the close of the Third Quarter.

The demand for stainless steel is also increasing in **Asia** after the Chinese New Year holiday, and inventories remain low in the Wuxi and Foshan warehouses.

Production

Melting shop production of the Acerinox Group in the First Quarter of 2016 of 575,051 Mt, is 4.2% lower than the same period of the previous year, but is 5.4% higher than the Fourth Quarter of 2015.



Cold rolling production, 418,064 Mt, has increased by 5.8% compared to the First Quarter of the previous year, and by 7.1% with respect to the Fourth Quarter of 2015, mainly due to increased activity in Columbus and Bahru Stainless.

Acerinox Production
Thousands of Mt

	Thousand Mt	2016				Accumulated	2015	Variation (%)
		Q1	Q2	Q3	Q4		Jan-Mar	
Melting shop		575.1				575.1	600.5	-4.2%
Hot rolling shop		526.4				526.4	524.3	0.4%
Cold rolling shop		418.1				418.1	395.1	5.8%
Long product (Hot rolling)		54.8				54.8	57.0	-3.9%

In long products, more related to investment goods, demand is still weak, which is affecting our production figures.

Results

Net sales of EUR 953 million shows a decline of 16.7% with respect to the same period of the previous year, due to the fall in prices in all markets: Europe (-18%), United States (-37%) and Asia (-29%), according to Platts, all pulled down by the drop in nickel prices.

Condensed Profit and Loss Account

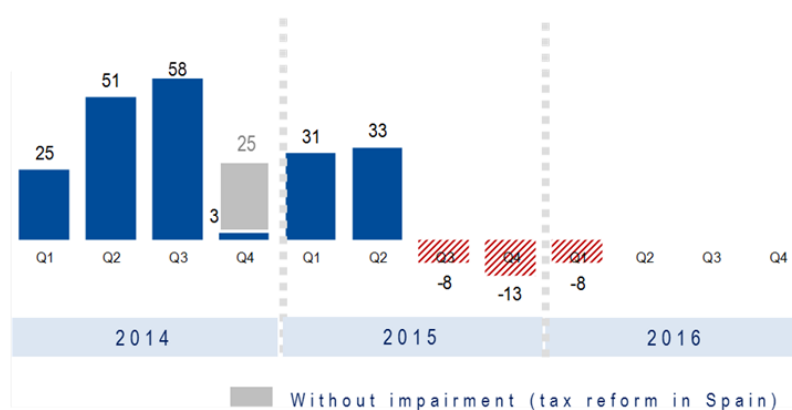
Millions of euros

	January-March		
	2016	2015	Variation
Net sales	953.35	1,144.31	-16.7%
EBITDA	40.99	102.55	-60.0%
<i>% over sales</i>	4.3%	9.0%	
EBIT	0.55	61.89	-99.1%
<i>% over sales</i>	0.1%	5.4%	
Result before taxes	-7.35	48.20	----
Result after taxes and minorities	-8.31	31.01	----
Depreciation	40.20	40.42	-0.5%
Net cash flow	31.89	71.43	-55.4%

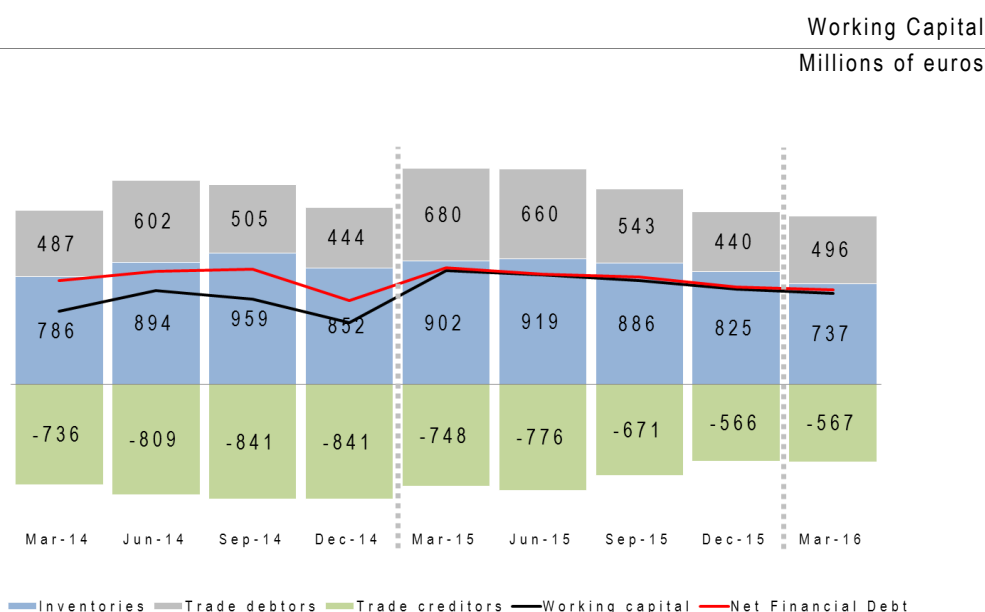
An EBITDA of EUR 41 million was generated after making an inventory adjustment to net realisable value of EUR 9 million. This EBITDA is similar to that of the previous Quarter, although it is 60.0% lower than in January-March 2015. The result after tax and minority interests is EUR -8 million.

Results After Tax and Minority Interests

Millions of euros



Working capital is EUR 666 million (EUR 698 million euros as of 31 December 2015).



Net financial debt of the Group is EUR 693 million (711 million as of 31 December 2015).

As of 31 March, Acerinox has credit lines amounting to EUR 1,750 million, of which 36% is available.

Condensed Balance Sheet
Millions of euros

ASSETS	Mar 16	2015	Variation	LIABILITIES	Mar 16	2015	Variation
Non-current assets	2,229.18	2,317.53	-3.8%	Equity	1,913.69	2,023.30	-5.4%
Current assets	1,718.76	1,808.14	-4.9%	Non-current liabilities	921.27	995.59	-7.5%
- Inventories	737.12	824.93	-10.6%	- Interest-bearing loans and borrowings	670.84	741.16	-9.5%
- Debtors	532.42	478.85	11.2%	- Other non-current liabilities	250.43	254.43	-1.6%
Trade debtors	496.19	439.54	12.9%	Current liabilities	1,112.99	1,106.77	0.6%
Other debtors	36.23	39.31	-7.9%	- Interest-bearing loans and borrowings	443.44	449.54	-1.4%
- Cash and other current assets	449.22	504.36	-10.9%	- Trade creditors	567.19	566.28	0.2%
				- Other current liabilities	102.35	90.96	12.5%
TOTAL ASSETS	3,947.94	4,125.67	-4.3%	TOTAL EQUITY AND LIABILITIES	3,947.94	4,125.67	-4.3%

At the time of printing this document, Acerinox is negotiating its long-term debt, with the goal of lowering financing costs and extending maturities.

This refinancing, at an advanced stage of negotiation with the main banks of the Group, will be implemented by the end of May.

The cash flow from operating activities amounted to EUR 45 million, thus enabling the year's investments to be maintained with the generated cash flow and allowing the debt to be reduced.

Condensed Statement of Cash Flow

Millions of euros

	Jan - Mar 2016	Jan - Dec 2015	Jan - Mar 2015
Result before taxes	-7.4	76.9	48.2
Adjustments for:	41.6	210.2	58.3
<i>Depreciation and amortisation</i>	40.2	163.7	40.4
<i>Changes in provisions and impairments</i>	-3.1	2.3	-1.2
<i>Other adjustments in the result</i>	4.5	44.1	19.1
Changes in working capital	14.4	-129.5	-260.6
<i>Changes in operating working capital</i>	32.1	-244.0	-378.6
<i>· Inventories</i>	87.8	26.8	-49.9
<i>· Trade debtors</i>	-56.7	4.0	-236.1
<i>· Trade creditors</i>	0.9	-274.8	-92.6
<i>Others</i>	-17.6	114.5	117.9
Other cash-flow from operating activities	-3.9	-140.1	-46.5
<i>Income tax</i>	3.5	-94.5	-35.9
<i>Financial expenses</i>	-7.4	-45.6	-10.6
NET CASH-FLOW FROM OPERATING ACTIVITIES	44.7	17.4	-200.6
Payments for investments on fixed assets	-30.7	-67.5	-13.0
Others	-0.4	-0.1	-1.9
NET CASH-FLOW FROM INVESTING ACTIVITIES	-31.0	-67.6	-14.8
NET CASH-FLOW GENERATED	13.7	-50.2	-215.4
Acquisition of treasury shares	0.0	-0.1	0.0
Dividends paid to shareholders and minorities	0.0	-47.8	0.0
Changes in net debt	-61.0	-177.7	-26.2
<i>Changes in bank debt/private placement</i>	-76.4	-163.4	15.7
<i>Conversion differences</i>	15.4	-14.3	-41.9
Attributable to minority interests	0.0	0.0	0.0
Others	0.2	0.3	0.1
NET CASH-FLOW FROM FINANCING ACTIVITIES	-60.8	-225.3	-26.1
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	-47.1	-275.4	-241.5
Opening cash and cash equivalents	480.0	738.4	480.0
Effect of the exchange rate fluctuations on cash held	-12.0	17.0	19.5
CLOSING CASH AND CASH EQUIVALENTS	420.9	480.0	257.9

Outlook

The demand for stainless steel remains strong and ISSF prospects (International Stainless Steel Forum) for 2016 show 2.9% growth, very uniform among the different regions: +2.8% Europe, +1.7% in America, +2.0% in China and +5.0% in rest of Asia.

Raw materials, harshly discounted due to doubts about economic growth, have stabilised. Specifically, nickel seems to have hit rock bottom in February and is starting to recover slightly, as reflected in its prices and the lower inventory levels in the LME.

This situation, in combination with low stock levels in all markets, should enable an increase in apparent consumption and progressive recovery of market conditions, which will be moderated by the excess capacity installed in the sector.

Base prices have already improved in the United States, though they are still below those of one year ago. Prices could also be improving in Asia, in light of recent announcements about rising prices, which should also contribute to some increases in Europe.

According to the CEO of Acerinox, Bernardo Velázquez: *“Within this context, Acerinox results that have already been positive in March, should continue this trend throughout the Second Quarter, which is why we will remain moderately optimistic, as we also lay our trust in lowered costs from the strides made in the Excellence Plans and improved financing conditions”.*

General Shareholders' Meeting

The Board of Directors, in its meeting held yesterday, approved the convening of the General Shareholders' Meeting for 9 June 2016. It will take place at Paseo de la Castellana, 33 (Mutua Madrileña building), Madrid. The agenda and the proposed agreements will be duly published on the Acerinox website (www.acerinox.com) on 6 May.

Among such agreements will be the proposal to distribute a EUR 0.45 dividend per share via the scrip dividend formula, so that shareholders can choose between payment in cash or new shares.

Likewise, the Meeting will be informed of all the measures that have been adopted to improve good governance of the Company, fulfilling the majority of the recommendations from the Unified Code.

Main economic-financial figures

CONSOLIDATED GROUP	Year 2016				2015	
	Q1	Q2	Q3	Q4	Accumulated	Jan-Mar
Production (Mt.)						
	Melting shop	575,051			575,051	600,540
	Hot rolling shop	526,397			526,397	524,285
	Cold rolling shop	418,064			418,064	395,057
	Long product (hot rolling)	54,754			54,754	56,979
Net sales (million €)		953.35			953.35	1,144.31
Gross operating result / EBITDA (million €)		40.99			40.99	102.55
	% over sales	4.3%			4.3%	9.0%
EBIT (million €)		0.55			0.55	61.89
	% over sales	0.1%			0.1%	5.4%
Result before taxes and minorities (million €)		-7.35			-7.35	48.20
Result after taxes and minorities (million €)		-8.31			-8.31	31.01
Depreciation (million €)		40.20			40.20	40.42
Net cash flow (million €)		31.89			31.89	71.43
Number of employees		6,502			6,502	6,486
Net financial debt (million €)		693.41			693.41	853.47
Debt to equity (%)		36.2%			36.2%	40.9%
Number of shares (million)		266.71			266.71	261.70
Return to shareholders (per share)		---			---	---
Daily average shares traded (n° of shares, million)		2.84			2.84	1.59
Result after taxes and minorities per share		-0.03			-0.03	0.12
Net cash flow per share		0.12			0.12	0.27