



Results as of 30 September 2016



Presentation of the results for the third quarter of 2016 via webcast and Conference call

Acerinox will hold a presentation for the results of the third quarter of 2016, in English, on 26 October, at 11.00 am CET, conducted by the Management Team and accompanied by the Investor Relations team.

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

Calls from the United Kingdom: +44 (0) 2031474600

Calls from the United States: +1 8663059104

Calls from Spain and the rest of the world: +34 917900863

The presentation will take place at the Hotel Intercontinental in Madrid, and can be followed on the Acerinox website (www.acerinox.com), in the Shareholders and Investors section.

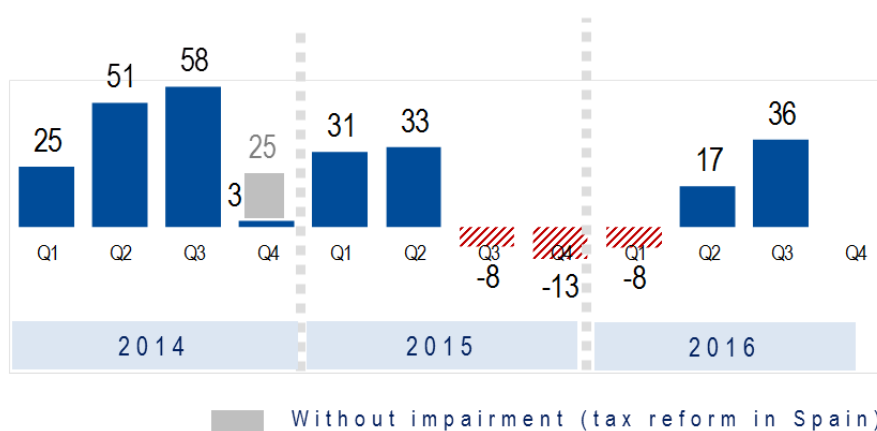
The presentation and all the audio-visual material will be available on the Acerinox website.

Results as of 30 September 2016

- Acerinox obtains a profit for the quarter, after taxes and minority interests, of 36 million euros (compared to losses of 8 million euros in the third quarter of 2015). The accumulated result for the first nine months, amounting to 45 million euros, is still 20% lower than that of the previous year.
- The EBITDA for the third quarter, 103 million euros, is 149% higher in comparison with the same period in 2015. As of September it amounts to 223 million euros, which is still 9% lower than it was compared to the period between January and September 2015
- The EBITDA margin for the third quarter, 10.3%, has gradually improved throughout the year and is the best since the third quarter of 2014
- The Group's accumulated turnover of 2,915 million euros is 12% lower than it was during the same period of the previous year, despite sales of physical units having increased by 8%
- Melting production has increased by 5% in comparison with the period between January and September 2015
- Net financial debt amounts to 678 million euros, 14% lower than that of September of the previous year
- The total cash flow generated from operating activities, 154 million euros, has allowed making payments for investments of 97 million euros, cash dividends of 27 million euros and to reduce net debt by 33 million euros
- In July, Acerinox distributed 0.44 euros per share through a scrip dividend. Shareholders representing 77% of share capital chose to take on new shares
- Once the fundamental parameters of the sector have stabilised, the Company is optimistic for the following quarters

Results after taxes and minority interests

Millions of euros



Stainless Steel Market

Worldwide production of stainless steel increased by 4.1% in the first half of the year, according to the latest ISSF figures.

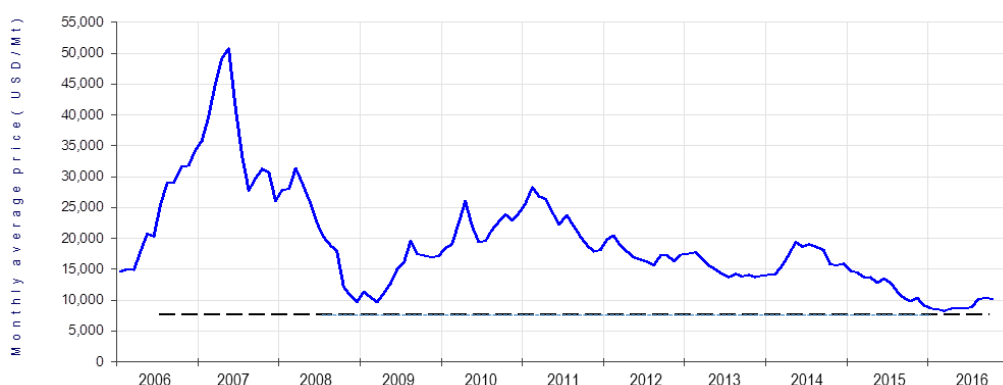
		H1 2015	H1 2016	Variation
Europe/Africa	Thousand Mt	4,198	4,133	-1.5%
Americas		1,453	1,363	-6.2%
Asia w/o China		4,684	4,842	3.4%
China		10,867	11,729	7.9%
Total		21,202	22,067	4.1%

Source: ISSF

Production has decreased in Europe and America due to inventory adjustments and the reduction of capacity on these markets. We should also highlight the increase in production of China, due to the increase in local consumption and exports.

The third quarter of 2016 has been marked by the strength of demand, the stabilisation of nickel prices and the end of inventory adjustments. All these factors have compensated the traditional reduction of deliveries during the third quarter.

Official price of nickel on the LME
From 2006 to September 2016



Source: LME

The price of nickel continues at its lowest value since 2008. The recent announcements of the closure of nickel mines in the Philippines, for environmental reasons, and the decrease in inventories, appear to mark an upward trend for the next few months.

Official price of nickel on the LME
2015 and 2016 (up to 30 September)



Europe

According to our estimates, apparent consumption of flat products has increased by 8.1% as of September, compared to the same period in 2015, partly due to the replenishment of stocks in the supply chain to meet the needs of increased activity. Nevertheless, we consider it to be lower than the average of the last three years. We highlight the positive performance of Italy (+16.7%), France (+9.1%) and Poland (+15.5%) whereas only the United Kingdom presents negative evolution (-10.3%).

Despite antidumping measures against China and Taiwan, the market share of imports has remained stable, as have base prices.

The main production sectors continue to be those relating to consumer goods, such as automotive and household electrical appliances, of which by the end of the year are expected to increase by 5.5% and 2.8% respectively.

United States

Demand is also growing in the United States due to increases of 4.9% in the construction industry, 1.7% in the automotive industry and 1.5% in the household electrical appliances industry. However, according to our estimates, apparent consumption decreased by 0.8% up to July due to the reduction of stocks.

Imports of flat products have decreased by 23% up to July due to the announcements on preliminary antisubsidy and antidumping measures. On 12th July, the United States Department of Commerce announced preliminary antisubsidy measures of between 57.30% and 193.12% against China. On 13th September preliminary duties ranging between 63.86% and 76.64% against the cold rolled flat products from China were announced.

Inventories are below the average for recent years although they have increased over the last few months.

The three price increases announced in the first-half have been consolidated, recovering a good part of what was lost last year.

Asia

The consumption sectors in China are evolving satisfactorily. Car production grew by 13.4% up to September, construction by 5.4% up to August, although household electrical appliances fell by 0.8% up to August, according to industry figures. The gross domestic product (GDP) increased by 6.7%, and the Industrial Production Index by 6.0%.

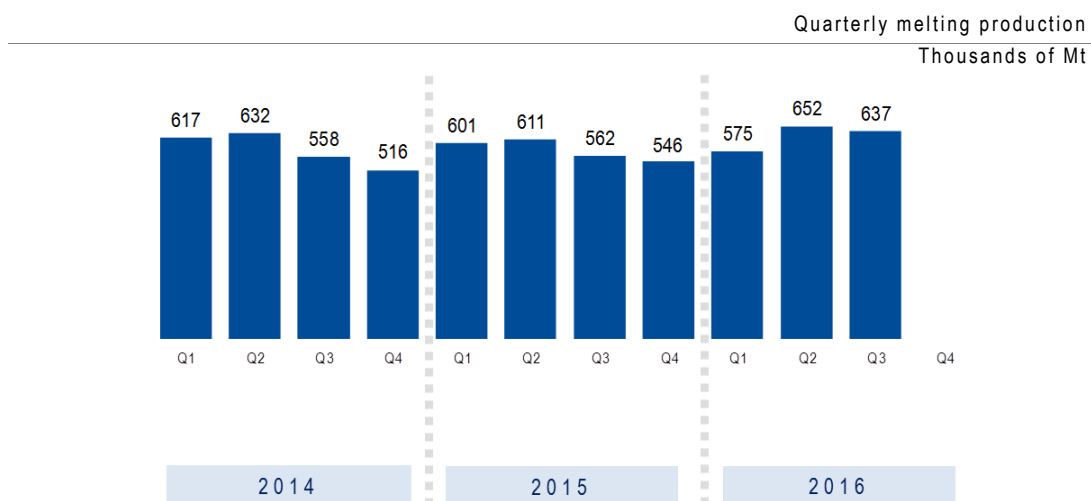
However, China still shows signs of excess capacity, which forces them to look for other markets demonstrating that exports have increased by 20% up to August.

Following the measures imposed by Europe and the United States, exports are primarily made to other Asian countries, therefore competition in the area is high and prices continue to remain very low.

According to official data published in Wuxi and Foshan, major Chinese warehouses, inventories have reached the average of the last few years.

Production

Acerinox's melting production, 1,864,286 tonnes, is 5.1% higher than in the first nine months of the previous year.



Hot-rolled production, 1,661,766 tonnes, is 6.7% higher than in the same period of the previous year.

	Thousand Mt	2016				Accumulated	2015	Variation (%)
		Q1	Q2	Q3	Q4		Jan-Sep	
Melting shop		575.1	651.9	637.4		1,864.3	1,773.9	5.1%
Hot rolling shop		526.4	563.4	571.9		1,661.8	1,558.0	6.7%
Cold rolling shop		418.1	428.1	429.0		1,275.1	1,218.7	4.6%
Long product (Hot rolling)		54.8	63.8	53.7		172.2	168.3	2.3%

On the other hand, cold-rolled production, 1,275,100 tonnes, has increased by 4.6% in comparison with the first nine months of 2015.

Sales of physical units have increased by 8.2% due to the reduction of the Group's inventories.

Results

The Group's net sales of 2,915 million euros from January to September are 12.1% lower than during the same period of the previous year, due to the lower prices in all markets (Europe -15%, United States -25% and Asia -18%), mainly caused by the decline in raw material prices.

Condensed profit and loss account
Millions of euros

Million €	Q1 2016	Q2 2016	Q3 2016	January- September		
				2016	2015	Variation
Net sales	953.35	953.67	1,007.62	2,914.64	3,316.08	-12.1%
Gross operating result / EBITDA	40.99	78.75	103.30	223.03	245.13	-9.0%
% over sales	4.3%	8.3%	10.3%	7.7%	7.4%	
EBIT	0.55	35.89	60.20	96.64	121.35	-20.4%
% over sales	0.1%	3.8%	6.0%	3.3%	3.7%	
Result before taxes	-7.35	26.43	53.50	72.58	86.27	-15.9%
Result after taxes and minorities	-8.31	16.99	35.82	44.50	55.88	-20.4%
Depreciation	40.20	42.73	42.70	125.63	122.45	2.6%
Net cash flow	31.89	59.72	78.53	170.13	178.33	-4.6%

The EBITDA for the third quarter amounts to 103 million euros, 149% higher than that of the previous year. We emphasise the improvement in the EBITDA margin since the beginning of the year, which increased from 4.3% to 10.3% in the third quarter, and is the best since the third quarter of 2014.

The results after taxes and minority interests amount to 45 million euros, a figure 20.4% lower than that for January to September 2015, although higher than the whole of the previous tax year. The result after taxes and minority interests for the third quarter stands at 36 million euros.

The Group's net financial debt as of 30 September stands at 678 million euros, 14% lower than that of September 2015. Acerinox maintains credit lines in force for an amount of 1,895 million euros, of which 32% is available.

In May, the Group proceeded to refinance the bulk of the debt for an amount of 717 million euros. With the new contracts, maturities were extended until 2021, average interests were reduced, payments for the next three years were also moderated and new entities were added to the banking pool. All this has enabled the Company to obtain favourable financing conditions and to reduce the cost of the debt without covenants.

Balance sheet summary

Millions of euros

ASSETS					LIABILITIES				
	Sep 16	2015	Sep 15	Variation		Sep 16	2015	Sep 15	Variation
Non-current assets	2,262.99	2,317.53	2,310.72	-2.4%	Equity	1,990.54	2,023.30	2,002.90	-1.6%
Current assets	2,034.38	1,808.14	2,002.21	12.5%	Non-current liabilities	1,232.10	995.59	1,067.55	23.8%
- Inventories	855.77	824.93	885.61	3.7%	- Interest-bearing loans and borrowings	991.50	741.16	810.88	33.8%
- Debtors	548.98	478.85	576.65	14.6%	- Other non-current liabilities	240.60	254.43	256.67	-5.4%
Trade debtors	519.23	439.54	543.33	18.1%	Current liabilities	1,074.72	1,106.77	1,242.47	-2.9%
Other debtors	29.74	39.31	33.32	-24.3%	- Interest-bearing loans and borrowings	292.70	449.54	475.59	-34.9%
- Cash and other current assets	629.64	504.36	539.95	24.8%	- Trade creditors	682.17	566.28	670.81	20.5%
					- Other current liabilities	99.85	90.96	96.07	9.8%
TOTAL ASSETS	4,297.37	4,125.67	4,312.93	4.2%	TOTAL EQUITY AND LIABILITIES	4,297.37	4,125.67	4,312.93	4.2%

The total cash flow generated from operating activities, 154 million euros, has allowed making payments for investments of 97 million euros, cash dividends of 27 million euros and to reduce net debt by 33 million euros.

Condensed cash flow statement

Millions of euros

	Jan - Sep 2016	Jan - Dec 2015	Jan - Sep 2015
Result before taxes	72.6	76.9	86.3
Adjustments for:	139.7	210.2	167.4
Depreciation and amortisation	125.6	163.7	122.4
Changes in provisions and impairments	-7.6	2.3	10.7
Other adjustments in the result	21.7	44.1	34.2
Changes in working capital	-2.4	-129.5	-209.6
Changes in operating working capital	5.4	-244.0	-303.9
- Inventories	-30.8	26.8	-33.9
- Trade debtors	-79.7	4.0	-99.8
- Trade creditors	115.9	-274.8	-170.3
Others	-7.7	114.5	94.3
Other cash-flow from operating activities	-56.2	-140.1	-116.4
Income tax	-29.4	-94.5	-81.9
Financial expenses	-26.8	-45.6	-34.5
NET CASH-FLOW FROM OPERATING ACTIVITIES	153.7	17.4	-72.4
Payments for investments on fixed assets	-96.6	-67.5	-48.8
Others	-0.7	-0.1	-1.1
NET CASH-FLOW FROM INVESTING ACTIVITIES	-97.3	-67.6	-50.0
NET CASH-FLOW GENERATED	56.5	-50.2	-122.4
Acquisition of treasury shares	0.0	-0.1	-0.1
Dividends paid to shareholders and minorities	-26.8	-47.8	-47.8
Changes in net debt	99.7	-177.7	-83.1
Changes in bank debt/private placement	93.5	-163.4	-67.6
Conversion differences	6.2	-14.3	-15.5
Attributable to minority interests	0.0	0.0	0.0
Others	0.7	0.3	0.2
NET CASH-FLOW FROM FINANCING ACTIVITIES	73.6	-225.3	-130.8
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	130.0	-275.4	-253.2
Opening cash and cash equivalents	480.0	738.4	738.4
Effect of the exchange rate fluctuations on cash held	-3.9	17.0	13.2
CLOSING CASH AND CASH EQUIVALENTS	606.1	480.0	498.4

Shareholder Remuneration

The Ordinary General Shareholders' Meeting held on 9 June 2016 adopted the flexible dividend formula (also called scrip dividend), in which the shareholders of Acerinox were able to decide between receiving cash (0.440 euros/share), new shares or selling their rights over shares on the stock exchange.

On 22 July 2016, 9,360,150 new shares were released on the Madrid and Barcelona Stock Exchange through the Continuous Market. The number of shares of Acerinox, S.A. is currently 276,067,543.

We believe that it is important to emphasise the good response that this measure has once again had. Shareholders representing 77% of share capital chose to receive the dividend in new shares.

Outlook

As we announced in July, once the good fundamentals of the sector and specifically the price of nickel stabilised, the Group's results started to improve.

Prudence in all markets due to the complexity of the economic and political situation will cause an adjustment in end of year deliveries. Nevertheless, our orders book continues to be strong and is 27% higher than that of September 2015.

Under these circumstances, Acerinox's results will remain positive for the final quarter and this will make it possible for the total of the year to exceed the results for 2015.

We are confident that demand will pick up in the first quarter of 2017 allowing an increase in base prices.

Main economic-financial magnitudes

CONSOLIDATED GROUP	Year 2016				2015	
	Q1	Q2	Q3	Q4	Accumulated	Jan-Sep
Production (Mt.)						
Melting shop	575,051	651,881	637,355		1,864,286	1,773,926
Hot rolling shop	526,397	563,425	571,944		1,661,766	1,557,953
Cold rolling shop	418,064	428,076	428,960		1,275,100	1,218,667
Long product (hot rolling)	54,754	63,795	53,700		172,250	168,330
Net sales (million €)	953.35	953.67	1,007.62		2,914.64	3,316.08
Gross operating result / EBITDA (million €)	40.99	78.75	103.30		223.03	245.13
% over sales	4.3%	8.3%	10.3%		7.7%	7.4%
EBIT (million €)	0.55	35.89	60.20		96.64	121.35
% over sales	0.1%	3.8%	6.0%		3.3%	3.7%
Result before taxes and minorities (million €)	-7.35	26.43	53.50		72.58	86.27
Result after taxes and minorities (million €)	-8.31	16.99	35.82		44.50	55.88
Depreciation (million €)	40.20	42.73	42.70		125.63	122.45
Net cash flow (million €)	31.89	59.72	78.53		170.13	178.33
Number of employees	6,502	6,625	6,541		6,541	6,491
Net financial debt (million €)	693.41	608.88	678.07		678.07	788.10
Debt to equity (%)	36.2%	31.1%	34.1%		34.1%	39.3%
Number of shares (million)	266.71	266.71	276.07		276.07	266.71
Return to shareholders (per share)	---	---	0.44	---	0.44	0.449
Daily average shares traded (n° of shares, million)	2.84	1.72	1.31		1.94	1.94
Result after taxes and minorities per share	-0.03	0.06	0.13		0.16	0.21
Net cash flow per share	0.12	0.22	0.28		0.62	0.67