



PRESS RELEASE

ACERINOX ACHIEVES A PROFIT AFTER TAXES AND MINORITIES OF 78.4 MILLION EUROS IN THE 2nd QUARTER

The stainless steel demand remains steady in almost all markets and everything seems to indicate that it will be maintained in the following months. In Europe, the strength of the demand and the low level of inventories make us feel optimistic about the third quarter, as in the United States, where the good market situation has allowed to bring a new 6% price rise for the month of July.

In this context, the productions of the Group factories have been improving in the last months. The total production of the three melting shops, 1,256,999 Mt, is very close to all-time half-yearly highs. In cold rolling a new all-time high has been reached, with a production amounting to 780,235 Mt. Regarding long products, the output amounts to 114,864 Mt, which means 13% increase.

In ACERINOX, S.A., Campo de Gibraltar factory keeps on working at full capacity. The achieved productions, 513,760 Mt as far as the melting shop is concerned, are very similar to those of the 1st half year of 2005. The order book covers our production capacity until the month of September. With Net Sales amounting to 962 million euros, 4.1% higher than the invoiced figure of the first half of 2005, the profit after taxes totals 34.44 million euros, which is still 28.7% lower than that obtained in the same period of the year before, when the prices in all markets were higher.

In NORTH AMERICAN STAINLESS, the Kentucky factory is working at full capacity. In the first half of the current year the melting shop has produced 428,841 Mt, which is 5% higher than the output achieved in the first half of the previous year. Concerning long products, production amounting to 41,880 Mt, means a 34.1% increase. We expect to maintain the good production pace in both sections in the following months, with a order book that covers the production capacity until September. The half-yearly Net Sales amount to 1,046 million USD (4.1% lower than the invoiced figure of the first half 2005) and Profit after Taxes totals 57.3 million USD (42.1% lower than the figure of the first half of 2005).

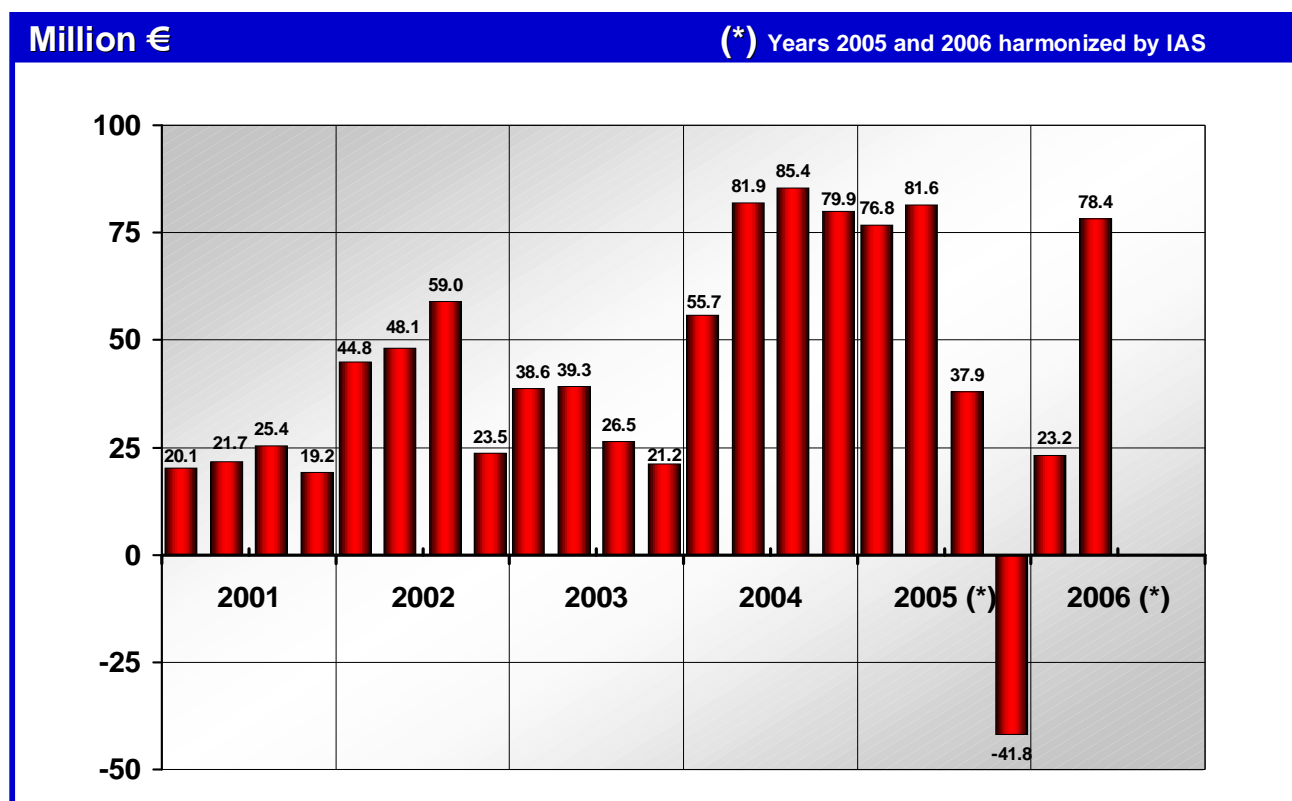
In COLUMBUS STAINLESS, the better situation of the international markets and the South African market itself has allowed to increase productions month by month. Nevertheless, the melting shop production, 314,398 Mt, is still 11.4% lower than the output obtained in the same period the year before. The net sales amount to 483.8 million euros, which decreases by 13.8% with regard to the first half year 2005. With the positive results achieved in the second quarter, the half-yearly profit after taxes has amounted to 5.76 million euros. We expect this trend to continue in the following months.

Million Euros	CONSOLIDATED GROUP		
	January-June 2006	January-June 2005	% over 2005
NET SALES	2,436.68	2,327.01	+4.7
RESULT BEFORE TAXES	159.74	254.17	-37.2
DEPRECIATION	67.02	55.03	+21.8
GROSS CASH-FLOW	226.76	309.20	-26.7
RESULT AFTER TAXES AND MINORITIES	101.53	158.31	-35.9
NET CASH-FLOW	168.55	213.34	-21.0

The Consolidated Group, which Net Sales amount to 2,437 million euros, has achieved a profit after taxes of 101.5 million euros, which in spite of being 36% lower than the figure obtained the previous year, it does prove the market recovery in this second quarter, and allow us to feel optimistic about the next quarter.

CONTRIBUTION TO THE RESULT AFTER TAXES AND MINORITIES OF THE CONSOLIDATED GROUP	
Acerinox, S.A.	33.1 %
Roldan, S.A.	1.8 %
Inoxfil, S.A.	-0.6 %
Nas, Inc.	46.5 %
Columbus Pty. Ltd.	5.4 %
Domestic Trading Companies	5.9 %
Overseas Trading Companies	7.9 %

QUARTERLY EVOLUTION OF THE RESULT AFTER TAXES AND MINORITIES OF THE CONSOLIDATED GROUP



Madrid, 20th July 2006