

**PRESS RELEASE**  
**14th December 2011**



## **PRODUCTION STARTS AT BAHRU STAINLESS**

As we have been announcing, Bahru Stainless factory in Johor Bahru (Malaysia) has started up.

On the 12th December the first coil in the annealing and pickling line AP1 was successfully processed, the last line which completes Phase I of the project. The first tests are being very satisfactory, with good quality and with the equipment behaving in a steady way.

With this line the construction phase finishes and begins the start up of Phase I consisting of a cold rolling with a 1,500 mm width Sendzimir, a combined annealing and pickling, a skinpass and a finishing mill. Its production capacity amounts to 240,000 Mt/year, out of which 182,000 Mt will be cold rolled and for this 370 million USD have been invested, despite the tough economic environment.

This event is the culmination of a long process started in 2007 with the feasibility studies and approved by Acerinox Board of Directors in February 2008. This landmark strengthens Acerinox Group position as the most global of the stainless steel producers all over the world with four factories in four continents. Besides, this last investment is located in the area with the strongest consumption growth.



The construction of Phase II is proceeding at a good pace. This phase, which start up is scheduled for the first quarter 2013, will increase the production capacity to 400,000 Mt/year. Likewise, it will allow Bahru Stainless to produce special steel grades and thin thicknesses, which are products with more added value.

The investment of the second phase is estimated in 310 million USD, including a cold rolling mill (ZM2), a cold annealing and pickling line (AP2), auxiliary lines, a laboratory, and an electric substation, which in the future will also feed the electric furnaces when they will be in operation.

The project in its final stage will be an integrated stainless steel factory with a melting capacity of 1 million Mt and a cold rolling capacity of 600.000 Mt.

Bahru Stainless is a subsidiary of ACERINOX Group (67% stake) which has been incorporated together with Nisshin Steel (30% stake) and Metal One (3% stake).

The current staff totals 227 workers, 96% are Malaysian. Most of them have been trained in the factories of Acerinox Europe (Spain) and Columbus Stainless (South Africa). For the start up they also count with the support and experience of Spanish, North American and South African technicians, a true and great multinational team, of which only Acerinox Group can be proud in the sector, due to its unique distribution of assets.

Malaysia joins the club of countries producers of Stainless steel, which will contribute to a higher economic growth and development of the region, driven by Bahru Stainless activities, which to a great extent will be aimed to export.

The work of our technicians, together with the experience accumulated in Acerinox Group and the great support we are receiving from Malaysia authorities and our Japanese partners, will guarantee the success of this investment and the successive phases we will be presenting.

