



# ACERALIA

## 2001 First Half Year Results Presentation to Analysts and Investors

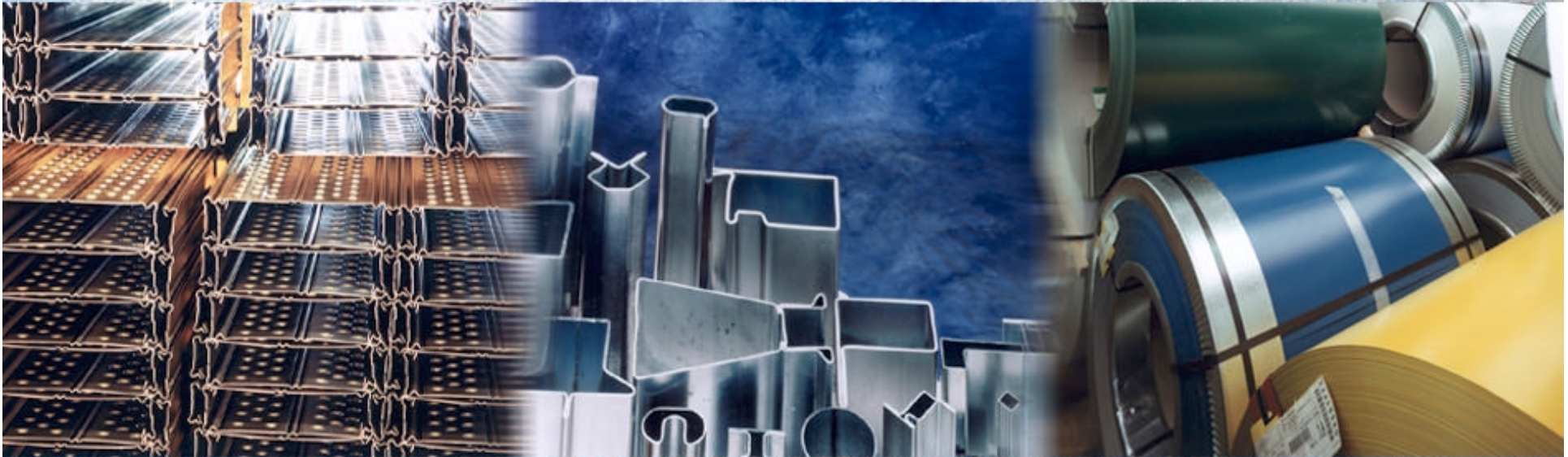
Madrid July 25

London July 30



**ACERALIA**

## 2001 First Half Year Report



# H1 2001: Good Performance in a difficult environment

- † Satisfactory demand albeit showing signs of weakness due to the current downturn in the economy
- † Prices in Europe despite reduced EU output, remain low due to high imports low exports and high inventories
- † Improvement of flat and long product mix and cost structure through development of the Industrial Plan.
- † High Cash Flow generated

Good turnover performance  
+2%

EBITDA Margin 12.1%

Net Profit:  
Eur 151.1 Mn

Gearing: 9.7%



# Sales and Volumes

**Shipments 0%**

**Product Mix +2%**

**Prices -1 %**

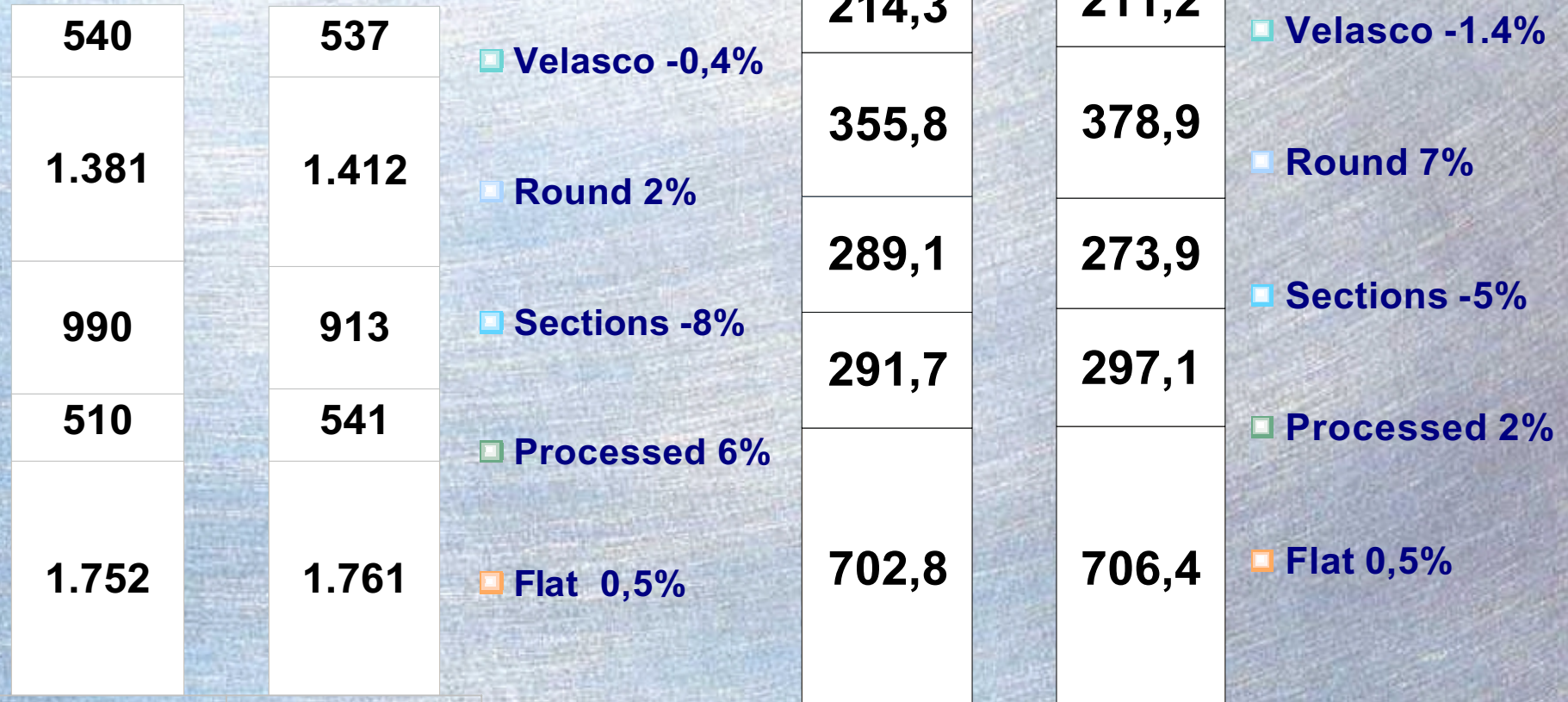
**Revenues +1%**

Total  
5.172 Ktn.

Total  
5.164 Ktn.

Total  
1.832,2 MEur.

Total  
1.855,8 MEur.



H1 2000

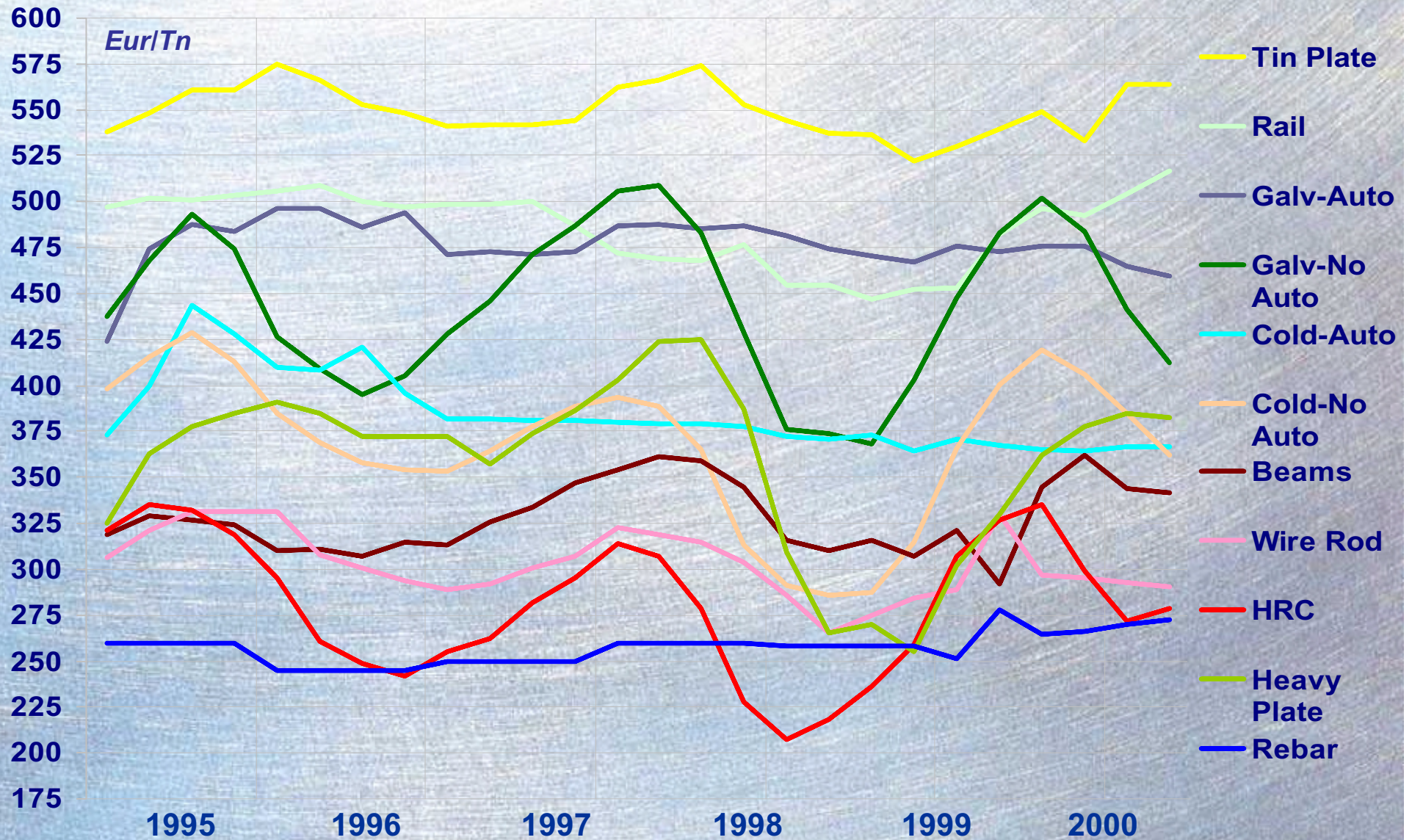
H1 2001

H1 2000

H1 2001



# Prices in Spain following global downwards trend



## Profit and Loss Account

Profit & Loss Account <i>Figures in M.Eur.</i>	2000 1H	% Sales	2001 1H	% Sales	% Change
Sales of steel products	1.838,20	88,7%	1.855,80	87,7%	1,0%
Other revenues	235,00	11,3%	259,10	12,3%	10,3%
<b>Total revenues</b>	<b>2.073,20</b>	<b>100,0%</b>	<b>2.114,90</b>	<b>100,0%</b>	<b>2,0%</b>
Procurement costs	-1.000,00	-48,2%	-1.008,10	-47,7%	0,8%
Wages & salaries	-310,60	-15,0%	-324,40	-15,3%	4,4%
Other operating costs	-474,10	-22,9%	-526,80	-24,9%	11,1%
<b>EBITDA</b>	<b>288,40</b>	<b>13,9%</b>	<b>255,80</b>	<b>12,1%</b>	<b>-11,3%</b>
Depreciation	-120,30	-5,8%	-135,70	-6,4%	12,8%
<b>EBIT</b>	<b>168,20</b>	<b>8,1%</b>	<b>120,10</b>	<b>5,7%</b>	<b>-28,6%</b>
Results from associates	40,90	2,0%	20,20	1,0%	-50,6%
Net financial results	-7,60	-0,4%	-9,50	-0,4%	25,0%
<b>Ordinary Profit</b>	<b>201,60</b>	<b>9,7%</b>	<b>130,90</b>	<b>6,2%</b>	<b>-35,1%</b>
Extraordinary items	-30,70	-1,5%	55,80	2,6%	-
<b>Earnings before Tax</b>	<b>170,90</b>	<b>8,2%</b>	<b>186,60</b>	<b>8,8%</b>	<b>9,2%</b>
Corporate income tax	-9,40	-0,5%	-31,60	-1,5%	236,2%
<b>Net Profit</b>	<b>161,50</b>	<b>7,8%</b>	<b>155,10</b>	<b>7,3%</b>	<b>-4,0%</b>
Minority interests	-12,40	-0,6%	-4,00	-0,2%	-67,7%
<b>Att. Net Profit</b>	<b>149,10</b>	<b>7,2%</b>	<b>151,10</b>	<b>7,1%</b>	<b>1,3%</b>



# Balance Sheet

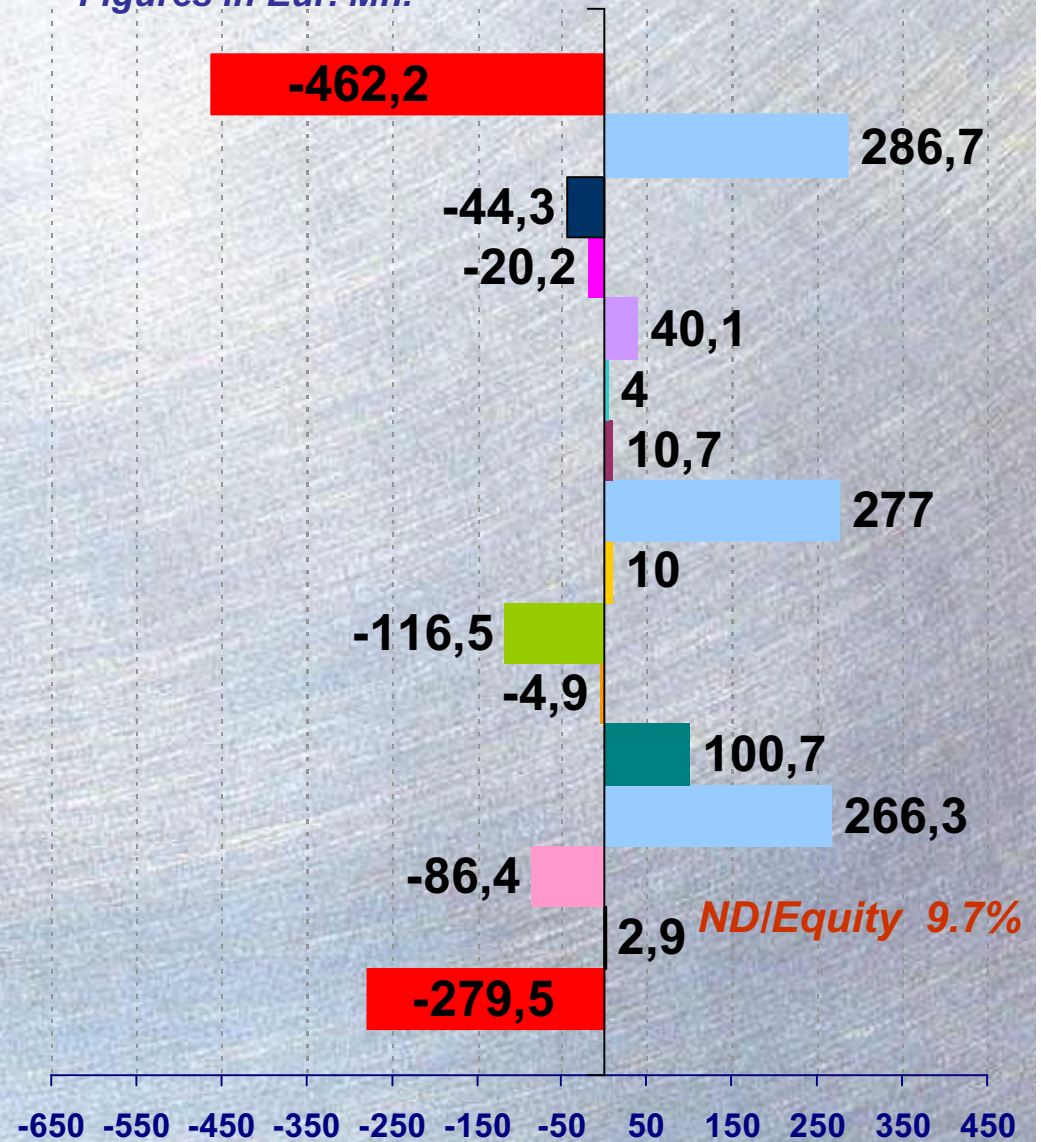
<b>BALANCE SHEET</b> Figures in M.Eur.	<b>2000</b> At Dec.	<b>%</b> NCI	<b>2001</b> 1 H	<b>%</b> NCI	<b>%</b> Change
<b>Net tangible fixed assets</b>	<b>1.998,70</b>	<b>53,3%</b>	<b>1.977,80</b>	<b>54,1%</b>	<b>-1,0%</b>
<b>Intangible assets</b>	<b>24,10</b>	<b>0,6%</b>	<b>24,30</b>	<b>0,7%</b>	<b>0,8%</b>
<b>Financial investments</b>	<b>1.059,20</b>	<b>28,3%</b>	<b>982,60</b>	<b>26,9%</b>	<b>-7,2%</b>
Customer receivables	601,00	16,0%	696,40	19,0%	15,9%
Inventory	855,10	22,8%	849,20	23,2%	-0,7%
Suppliers	-596,10	-15,9%	-660,00	-18,0%	10,7%
Other assets (liabilities)	-195,30	-5,2%	-212,00	-5,8%	8,6%
<b>Net op. working capital</b>	<b>664,47</b>	<b>17,7%</b>	<b>673,50</b>	<b>18,4%</b>	<b>1,4%</b>
<b>Net capital invested</b>	<b>3.746,60</b>	<b>100,0%</b>	<b>3.658,10</b>	<b>100,0%</b>	<b>-2,4%</b>
<b>Shareholders' equity</b>	<b>2.790,50</b>	<b>74,5%</b>	<b>2.869,20</b>	<b>78,4%</b>	<b>2,8%</b>
<b>Minority interests</b>	<b>130,20</b>	<b>3,5%</b>	<b>137,30</b>	<b>3,8%</b>	<b>5,5%</b>
<b>Neg. Cons. differences</b>	<b>47,20</b>	<b>1,3%</b>	<b>46,30</b>	<b>1,3%</b>	<b>-1,9%</b>
<b>Long-term provisions</b>	<b>316,50</b>	<b>8,4%</b>	<b>325,90</b>	<b>8,9%</b>	<b>3,0%</b>
Long-term debt	325,40	8,7%	258,50	7,1%	-20,6%
Short-term bank debt	273,60	7,3%	255,40	7,0%	-6,7%
STfinancial inve. and cash	-136,90	-3,7%	-234,40	-6,4%	71,2%
<b>Net financial debt</b>	<b>462,20</b>	<b>12,3%</b>	<b>279,50</b>	<b>7,6%</b>	<b>-39,5%</b>
<b>Financing sources</b>	<b>3.746,60</b>	<b>100,0%</b>	<b>3.658,10</b>	<b>100,0%</b>	<b>-2,4%</b>
<b>Total ASSETS/LIABILITIES</b>	<b>4.777,30</b>		<b>4.875,80</b>		<b>2,1%</b>



# Cash-flow Statement

Figures in Eur. Mn.

- Initial Net Cash Position (FY 2000)
- Cash-Flow
- Add back net Result Ros Casares/others sale
- Add back Results from Associates
- Dividens from Associates
- Add back Minorities
- Provisions / Other
- Net Cash-flow
- Working Capital variation
- Capex
- Financial Investments
- Ros Casares/others stake sale
- Free Cash-flow
- Dividends Paid
- Others
- Final Net Cash Position (H1 2001)







**ACERALIA**

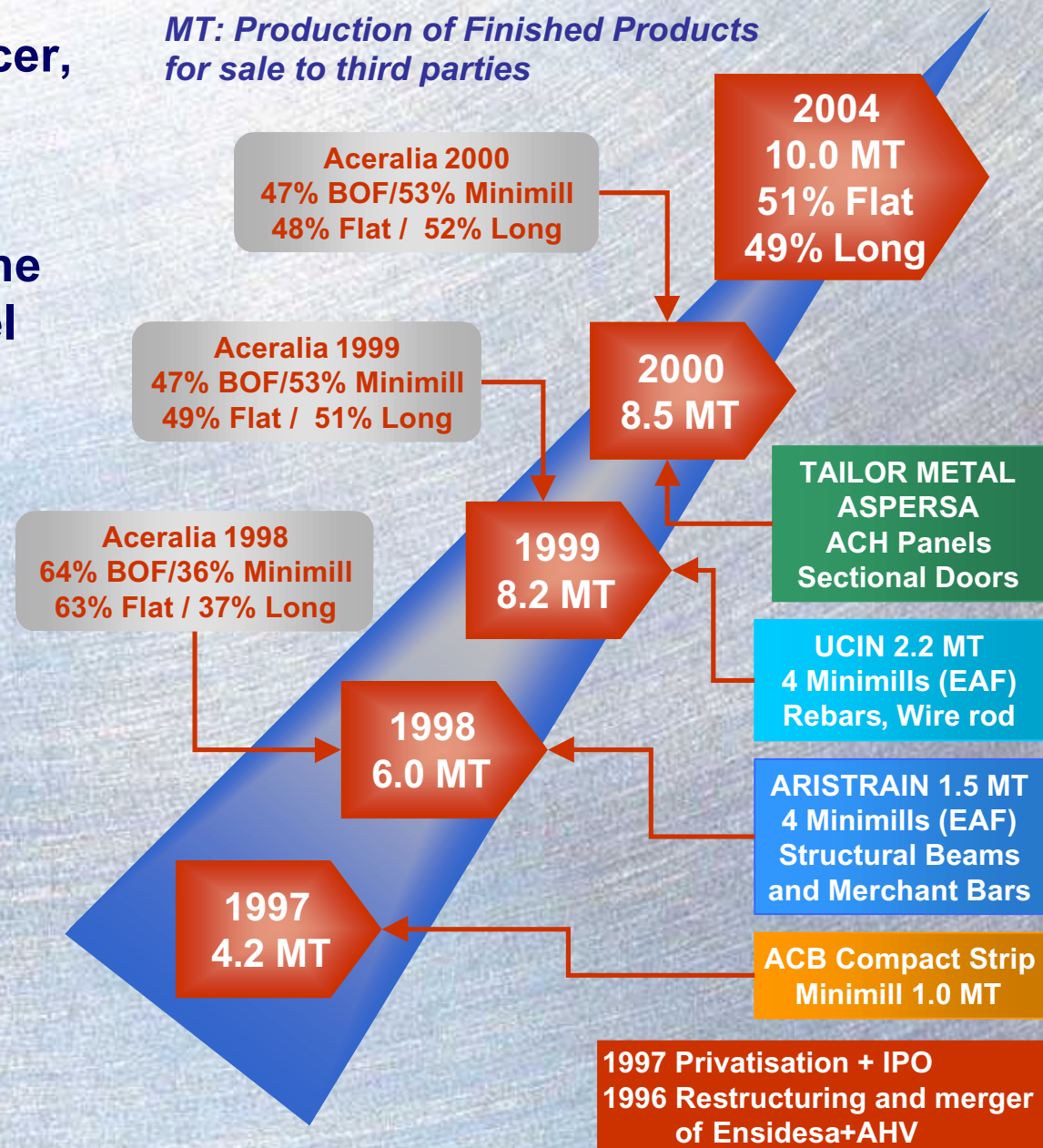
Drivers for a Competitive Performance



# The leader Steel Group in Spain

- † A diversified Steel producer, leader in Spain through successful M&As
- † Allied to Arbed, making the World's third largest Steel Group
- † 10 MT Crude Steel and 8.5MT Finished Products in Y2000
- † A unique case in Europe of Combined Multitechnology for Multiproducts
- † Eur. 1.8 Bn Market Cap
- † IBEX35, ADRs Level I

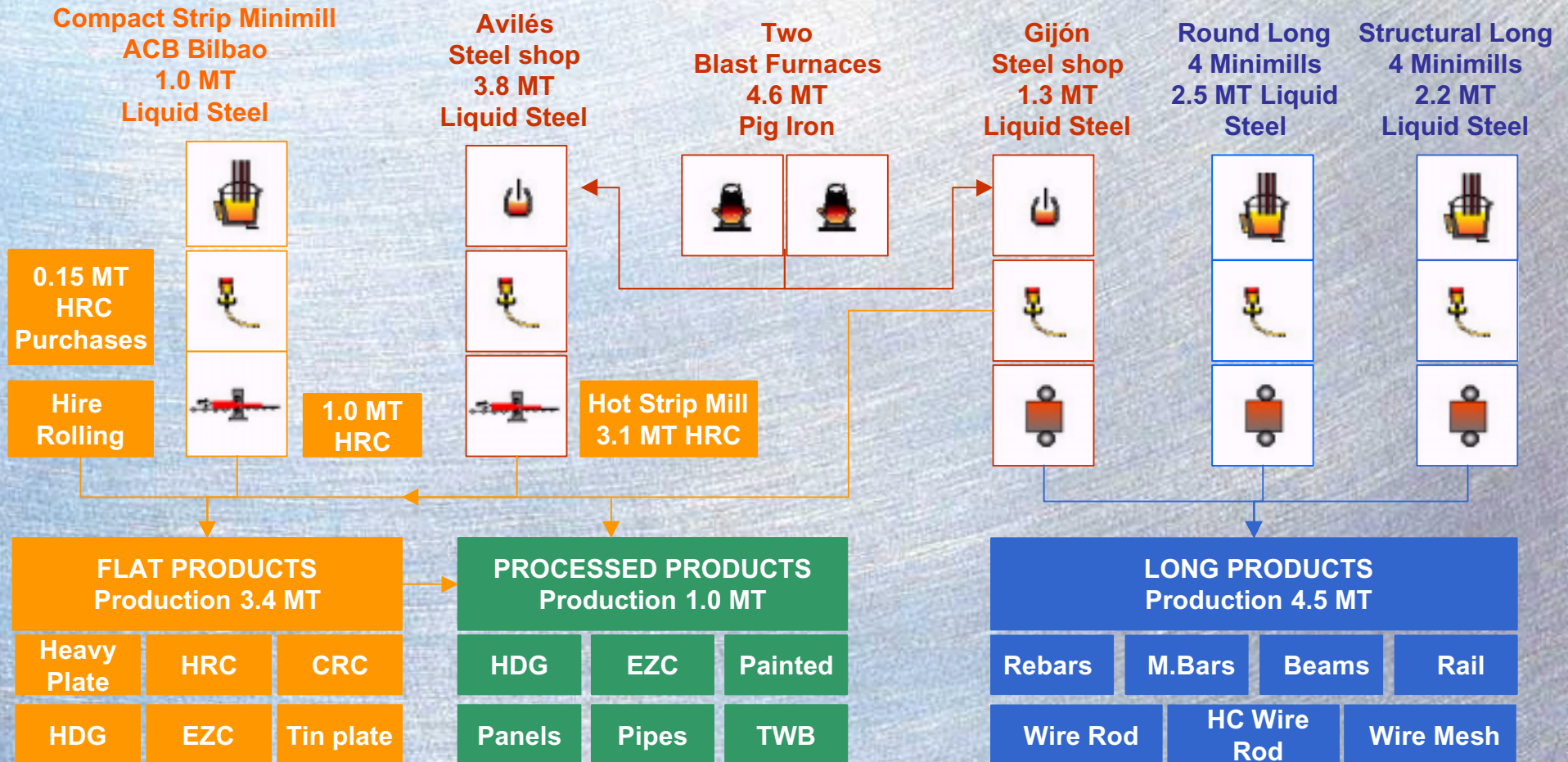
*MT: Production of Finished Products for sale to third parties*



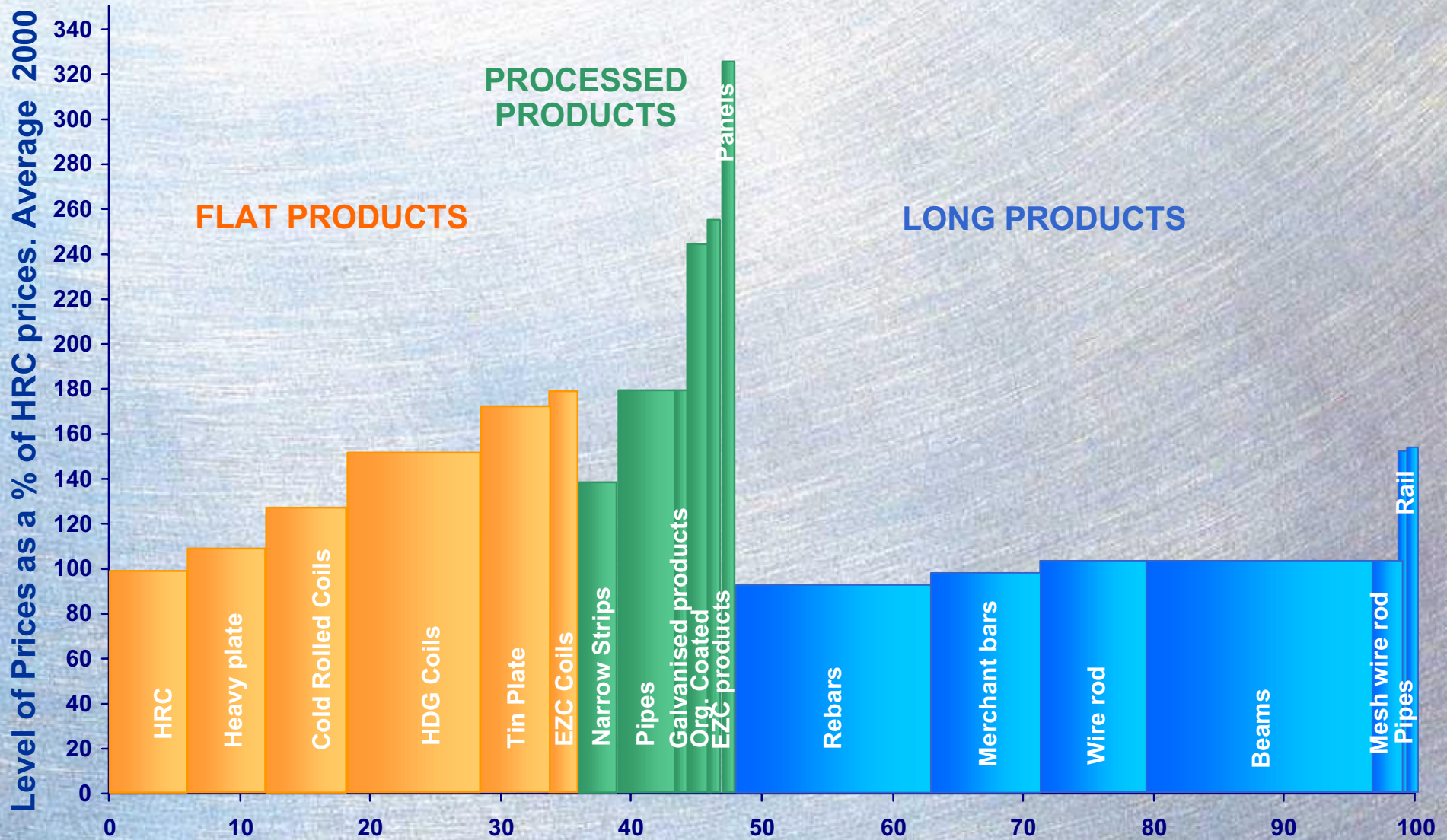
# Multitechnology for Multiproducts

47% BOF / 53% EAF

48% Flat / 52% Long



# Healthy Mix of Products and Markets



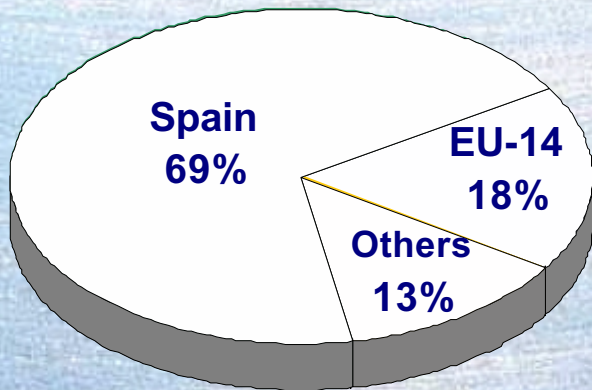
FY 2000 Aceralia's 100% Sales of Steel Products ex-Velasco (tonnage)



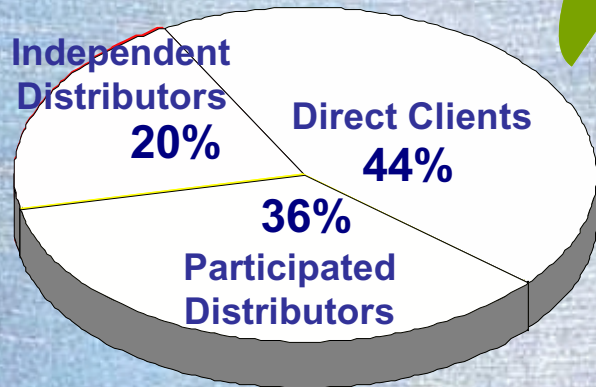
Good customer reach through direct sales to end customer and a strong participated distribution network in Spain and Portugal

# Good customer Reach

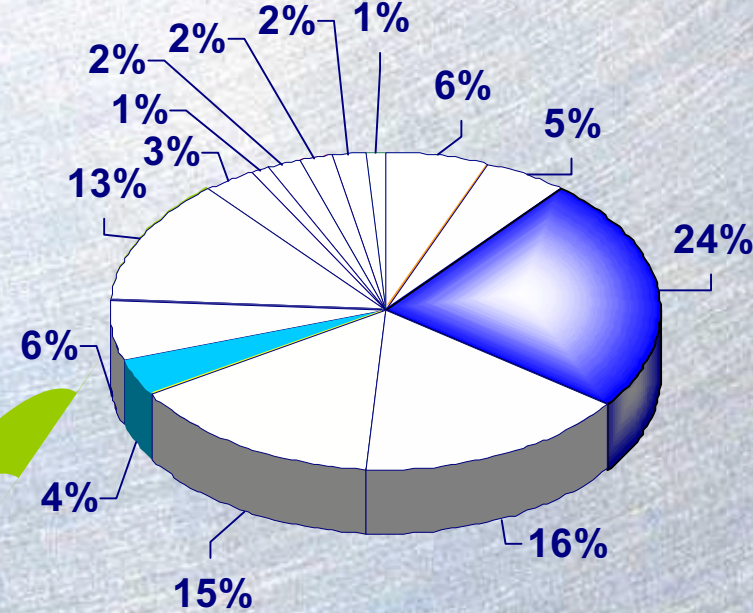
## Sales to Third Parties



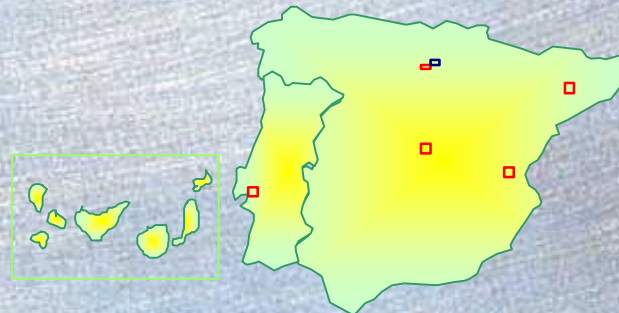
## Sales to Third Parties



## Sales to Direct Clients



- Construction
- Prefab. Construction
- Processors
- Canning
- Automobile
- D. Appliances
- Pipes
- Wire Drawing
- Equipment
- Drums
- Shipbuilding
- Rail
- Rolling
- Ind. Containers



- TRANSFORMADOS (100%)
- LAMINADOS VELASCO (67%)
- ALFONSO GALLARDO (30%)
- GONVARRI INDUSTRIAL (30%)
- MEGACO (40%)



# Continuos and Profitable Growth

† Continuos Growth: from 4.2 MT in 1997 to 8.5 MT of finished products in Y2000

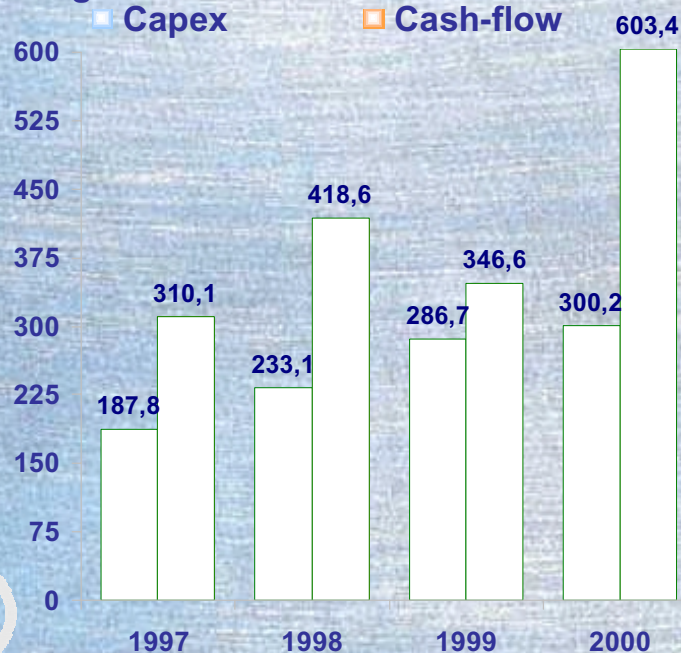
† One of the few European steel producers showing consistent profitability throughout the cycle.

† Shareholders:

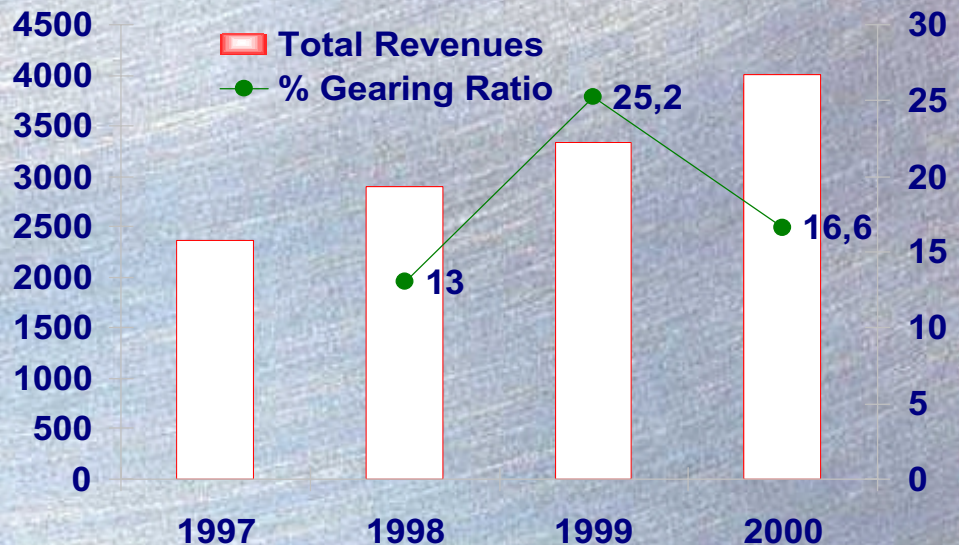
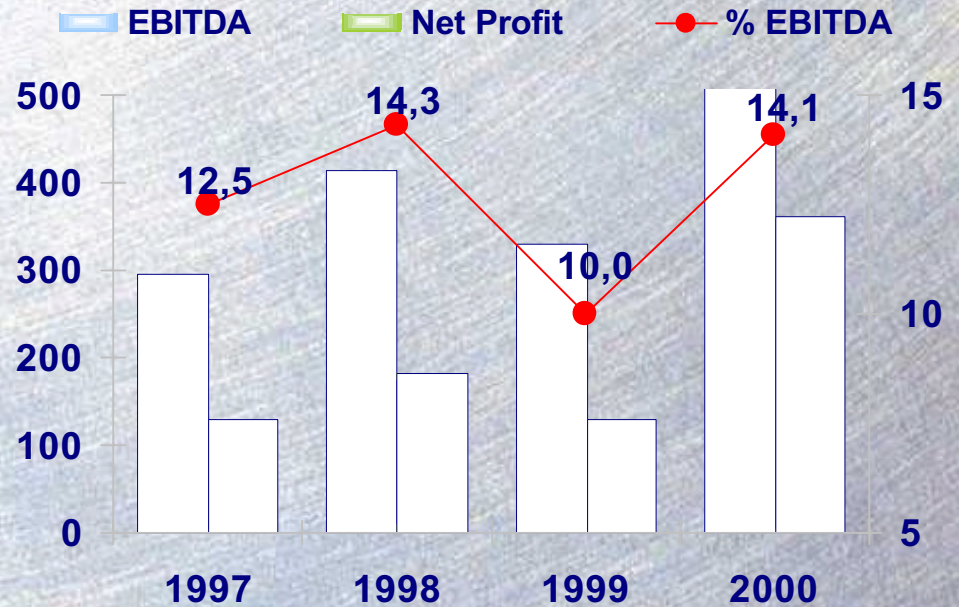
- † Arbed 35%
- † JMA 11%
- † Gestamp 7%
- † Free-float 47%

## High Cash-flow Generated

Figures in Million Euros



Figures in Million Euros





# **ACERALIA**

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