



2014 Business Year Results



Conference call and live webcast related the annual accounts of 2014

Acerinox will hold the presentation of its results for 2014, at the Madrid Stock Exchange on Thursday, February 26th, at 11 a.m. in the presence of the Chairman, Mr. Rafael Miranda, the Chief Executive Officer, Mr. Bernardo Velázquez and the other members of the senior management team.

Simultaneously a conference call and live webcast of this presentation will be conducted. To access the conference call, you may dial any of the following numbers, 5-10 minutes before the beginning of the event.

Spanish language: +34 91 789 51 21

English language: +34 91 789 23 87

The presentation can be also followed live on the Acerinox Web page (www.acerinox.com), in the Shareholders and Investors section.

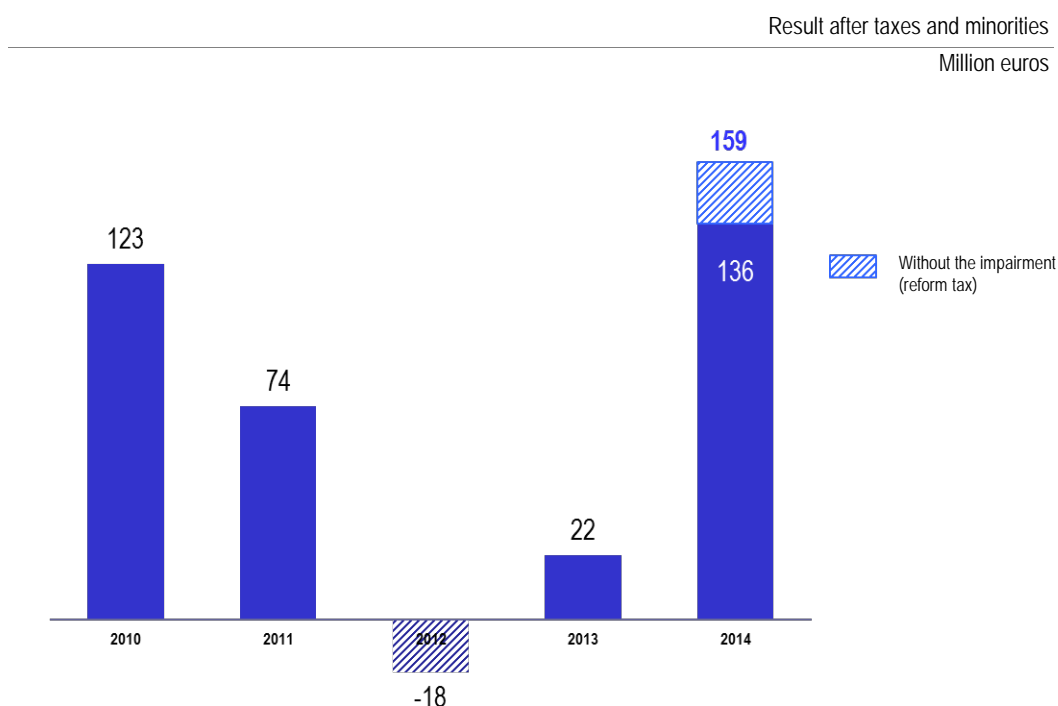
Both the presentation and audiovisual material will be available after the event

2014 Annual Report

The audited Annual Report for the year 2014, which includes the Management Report, the Annual Accounts, the Corporate Governance Report as well as the opinion of the auditors, is available on the Acerinox website, www.acerinox.com

Summary Report of Financial Year 2014 Results

- The EBITDA of Acerinox in the year 2014 has been 454 million euros and double that of the same period of 2013. The EBITDA margin was 10.4% compared to 5.7% of the previous year
- The result before taxes, 244 million euros, is 7.3 times higher than the obtained in 2013
- The result after taxes and minorities has been 136 million euros (6.2 times higher than that of the previous year). This result reflects the impairment of 23 million euros due to tax reform in Spain. It is a non-cash impairment and no further adjustments are needed
- If this adjustment had not occurred, Group's net result would have amounted to 159 million euros
- Group sales increased by 10%. Acerinox has sold in 83 countries on five continents. 91% of sales are made outside Spain, and 65% outside Europe
- Melting output increases 4.5%. Highlights Bahru Stainless, which cold rolled production increased 38%
- Net financial debt has been 616 million euros (529 million euros in 2013). The ratio of net financial debt to EBITDA is 1.4 times (2.3 times in 2013)
- Excellence Plan III 2013-2014 has finished, achieving 88% of the target (53 million euros of recurrent savings have been achieved)
- Excellence Plan IV 2015-2016 is underway with cost savings estimated at 70 million euros



Stainless Steel Market in 2014

According to the provisional figures of International Stainless Steel Forum (ISSF), stainless steel world production rose again in 2014, reaching 41.2 million tons, a figure 7.9% higher than that of 2013, and higher than the historical compound annual growth rate of 6.0%.

This growth will allow stainless steel supply and demand balance in the medium term.

This year, the analysis by geographic region shows a shift of production between Europe and the US due to the ramp-up of Outokumpu plant in Calvert, Alabama. Meanwhile, China grew by 14.3% and represents 53% of world production.

		2013	2014	Variation
Europa/Africa	Thousand Mt.	7,904	7,903	0.0%
Americas		2,454	2,819	14.9%
Asia without China		8,788	8,740	-0.5%
China		18,984	21,692	14.3%
Total		38,130	41,154	7.9%

On the consumption side, the European and American markets have continued trends that began in 2013. In Europe, 2014 has been the year of apparent consumption increased with the recovery of stocks in the supply chain. US apparent consumption increased by the economic situation, the stainless steel demand and manufactured goods with stainless steel.

The Asian market continues to show strong dynamism. Demand in China has remained strong despite lower economic growth and the ASEAN area is showing greater increase, especially Indonesia and Malaysia.

Europe

Europe experienced a first half of the year characterized by an important increase in apparent consumption, caused by better behavior of the real consumption due to the slight improvement of the economy, as well as stock recovery of the supply chain. This stock was at historically low levels at the end of 2013 due to the funding access restrictions.

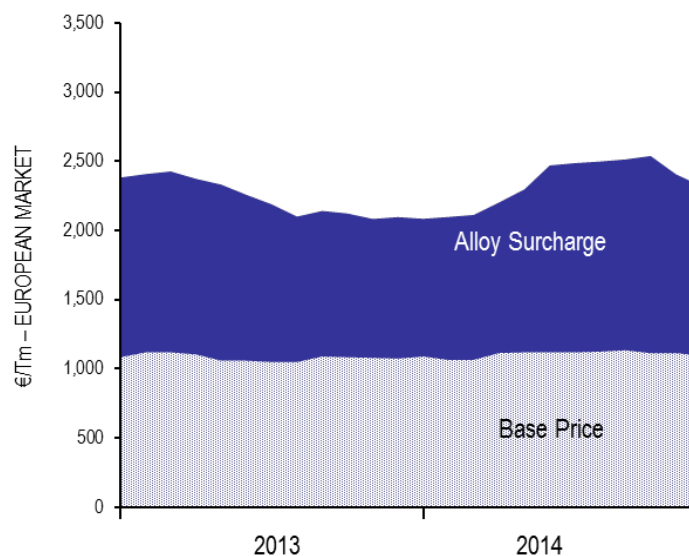
The second half of the year was somewhat more complicated, as the uncertainties arising in the economy coupled with a sharp increase in imports from China and Taiwan. In fact, 2014 was the first year in which the trade balance was negative (data from EUROFER), this means that in 2014, for the first time in the European history, Europe imported more stainless steel than exported.

By countries, apparent consumption grew throughout 2014, according to our estimates, at a rate unseen for a long time (+12.8% in Spain, +8.6% in Germany, +19.2% in Italy), with the exception of France, which was the only country that registered negative growth rates (-8.7%). We estimate that apparent consumption grew in the whole Europe by 13.6%. This growth has mainly benefited imports from third countries, that in the second half of the year they have import penetration above 30%, higher than the historical rates

The strong competition prevented a recovery in base prices that continued at record lows.

Stainless Steel sheet prices cold-rolled 2.0 mm AISI 304

Years 2013 and 2014



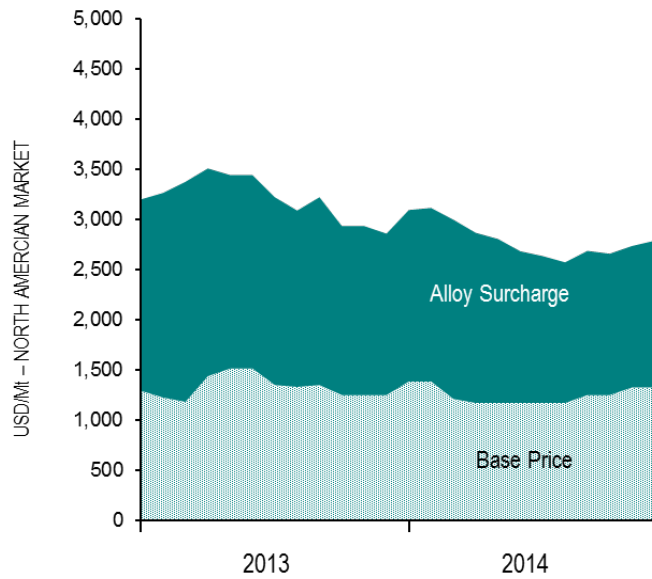
Source: Metal Bulletin

UNITED STATES

The year 2014 has continued with the good macroeconomic figures of previous ones. The GDP annual growth was 2.4% and 2.95 million jobs were created, thus lowering unemployment to 5.6%.

All of this helped the consumption of stainless steel to keep growing in 2014, reaching a rate that we estimate at 5%. This led our factory in Kentucky to achieve record production figures.

Prices of stainless steel sheet cold-rolled 2.0 mm AISI 304
Years 2013 and 2014



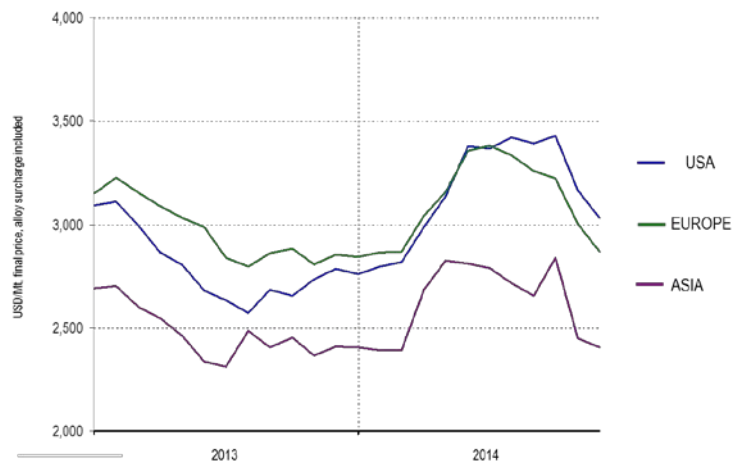
Source: Metal Bulletin

Asia

We estimate that the stainless steel apparent consumption experienced a growth close to 7%, despite the Chinese economy slowing down. This growth will allow a stainless steel supply and demand balance in the medium term.

The ASEAN area maintains its dynamism, as proven by its apparent consumption numbers, over 5%. To highlight Malaysia, with a 10% improvement over the previous year. Bahru Stainless has increased its sales by 30% over the previous year.

Stainless Steel sheet prices cold-rolled 2.0 mm AISI 304
Years 2013 and 2014



Source: Metal Bulletin

South Africa

Consumption in the sectors of end applications has remained stable, although the projects linked to the mining industry has been affected by strikes that affected the country in the first half of the year. As a result, apparent consumption has dropped by 5%.

Expectations for the local market are good. The development of plans to build new power plants, the extension of the railway network and the constant arrival of foreign investments augur GDP growth between 1.5% to 2%, and the recovery of the local market. The devaluation of the South African Rand should support improved competitiveness of the local industry.

Raw Materials

The prices of raw materials increased in the first half of 2014 with no exceptions, only to later undergo, also with no exceptions, an important correction during the second half. In addition to the evolution of demand, specific circumstances concerning each raw material have played an important role throughout the year.

The evolution of nickel prices have mainly been affected by the Indonesian export ban of minerals, a prohibition which came into effect in January 2014

Official nickel price in the LME (2013 and 2014)
(USD/Mt. Ni) average spot Price/three months



This should mainly affect Chinese nickel pig iron producers, which are seeking alternative sources of supply, at a higher cost. This fact combined with the tensions between Russia and Ukraine, increased nickel price above USD 21,000 / Mt.

Despite this situation and the consumption increase, lower prices of raw materials, including oil, has also drawn nickel price during the second half of the year

The year ended with stocks of nickel in the LME of 414,900 Mt, 58.7% increase compared to the

previous year. This increase was partly due to the influx of nickel from China.

The continuous increase in the LME stock during the year, and its disconnection from price movements proved that the relevance of the supply-demand fundamentals each time is lower and the price of certain metals is increasingly determined by merely speculative trends.

When compared to all other metals, and despite the decrease in prices, the year ended with a nickel revaluation of 7.4%. The price of aluminium and zinc increased by 4.3% and 4.1%, respectively. Copper, on the contrary, went down by 14.5%.

Production

Melting output for the Acerinox Group in 2014 amounted to 2.3 million Mt, 4.5% up on that of 2013 and equal to that of 2004, just behind that of 2006, which was the year of highest production in our history. Hot-Rolled production accounted for 2.0 million Mt, a 5.6% increase in relation to the previous year, and Cold-Rolled increased by 3.7% to 1.6 million Mt.

Acerinox Group Quarterly Production

Thousand Mt

		Year 2014				Accumulated	Year 2013	Variation 2014 / 2013
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter		Jan-Dec	
Melting shop	Thousand Mt	617.5	631.6	560.2	515.5	2,324.8	2,225.0	4.5%
Hot rolling shop		542.0	552.0	491.8	463.6	2,049.3	1,941.1	5.6%
Cold rolling shop		384.5	411.7	384.2	375.2	1,555.6	1,499.4	3.7%
Long Product (Hot Rolling)		62.4	64.0	61.1	54.1	241.6	223.0	8.3%

By factories, melting output in Acerinox Europa has increased the most in comparison with 2013 by 11.9%, hot-rolling increased by 14.4%, and cold-rolling by 3.0%. As for NAS, production rose by 3.6%, 4.8% and 1.9% in each workshop. In the case of Columbus, although melting shop (-4.1%) and hot-rolling (-3.6%) produced less than in 2013, production at the Cold-Rolled workshop improved by 0.2%.

Bahru Stainless has considerably increased production again, which has increased by 38.4% over 2013.

Results

In 2014, the Acerinox Group obtained the best results since 2007, reflecting the combine effects of Excellence Plans effects and adjustments policy followed by the Company.

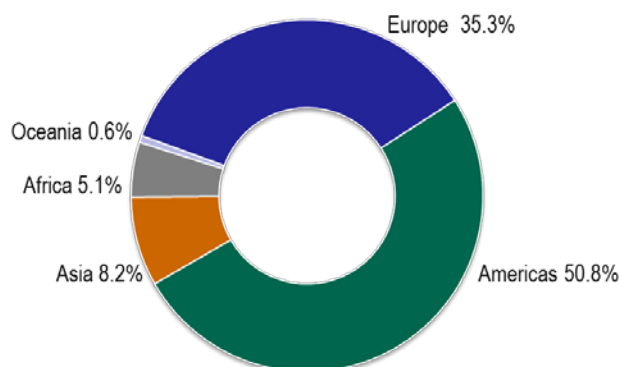
Acerinox main figures

Thousand euros

	2014	2013	Variation
Net sales	4,380,289	3,966,278	10.4%
EBITDA	454,180	228,143	99.1%
EBIT	297,687	88,284	237.2%
Result before taxes and minorities	243,776	33,180	634.7%
Depreciation	150,345	134,981	11.4%
Gross cash flow	394,120	168,161	134.4%
Result after taxes and minorities	136,329	22,068	517.8%
Net cash flow	286,674	157,049	82.5%

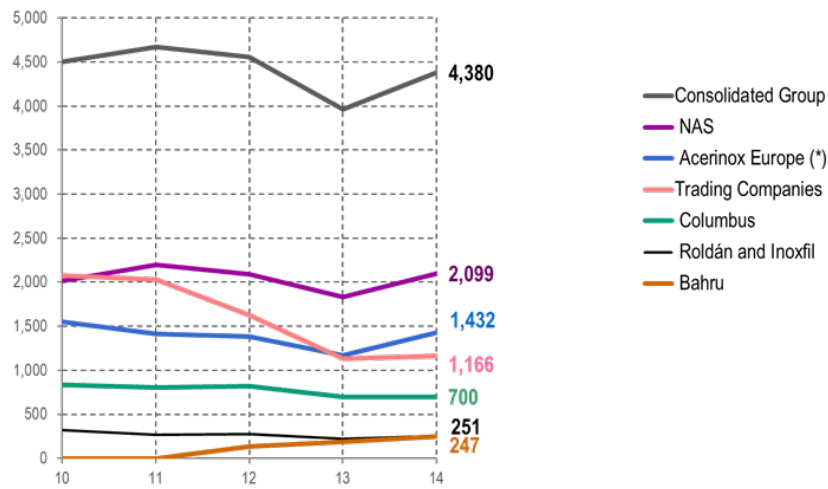
Net sales for the Consolidated Group in 2014 amounted to 4,380 million euros, which is 10.4% up on the previous year, as a result of the 6% increase in the number of tons sold and of the higher average sales price over the year, due to the rise in nickel price and consequently, in alloy surcharges

Geographical Distribution of Acerinox Group Net Sales. Year 2014



Evolution of Acerinox Group net sales (Year 2014)

Million euros

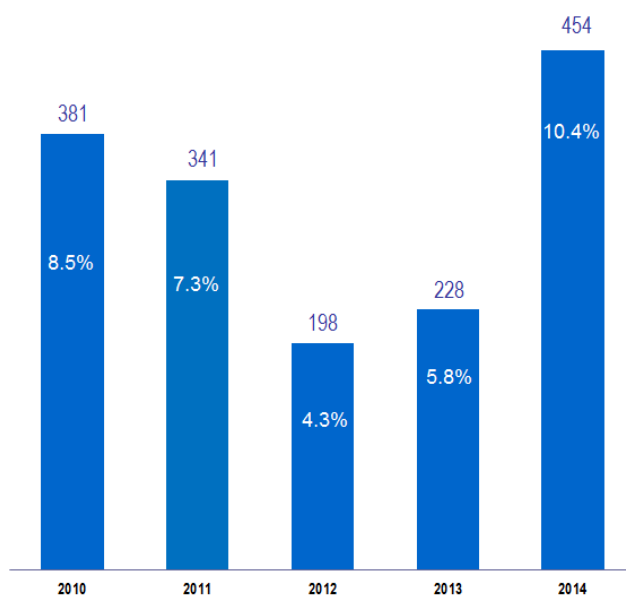


(*) Acerinox, S.A. figures until hasta 2010. From year 2011 refers to Acerinox Europa

EBITDA generated, 454 million euros during the year, doubling that of the previous year. Despite the greater activity, the entries for operations and personnel expenses continued to fall (12 million euros as a whole). These savings are added to the 43 million euro reduction in operations and personnel expenses in 2013 in comparison with 2012 and have been generated thanks to the plans for excellence and fixed costs reductions.

Evolution of the Consolidated Group EBITDA (Year 2014)

Million euros (% over sales)



Pre-tax results of 244 million euros is 7.3 times higher than that obtained the previous year. Result after taxes and minorities of 136 million euros was affected by the impairment of the corporate income tax reform in Spain, which drop in the recoverability of any tax credit activated, by lowering the corporate tax from 30% to 25%.

This impact is quantified in 23 million euros and, if it had not occurred, Group net results would have amounted to 159 million euros. It is a non-cash impairment and no further adjustments are needed.

Operating working capital increased by 213 million euros as a result of a better order book and higher nickel prices at the end of the year.

	2014	2013
Inventories	852	730
Debtors	444	377
Creditors	841	865
Working Capital	454	241

Net financial debt of the Group at year-end amounted to 616 million euros, with a ratio to shareholder equity of 33.2% and to EBITDA of 1.36. All covenants imposed in our credits and related to the Group's ratios were fully satisfied.

Condensed Balance sheet
Million euros

ASSETS				LIABILITIES			
	2014	2013	Variation		2014	2013	Variation
Non Current Assets	2,270.43	2,200.07	3.2%	Equity	1,856.13	1,553.22	19.5%
Current Assets	2,159.12	1,790.90	20.6%	Non current liabilities	1,279.66	990.61	29.2%
Inventories	851.70	729.59	16.7%	Interest bearing loans and borrowings	1,020.01	750.66	35.9%
Debtors	475.19	410.55	15.7%	Other non current liabilities	259.66	239.95	8.2%
Trade debtors	443.56	376.62	17.8%	Current liabilities	1,293.76	1,447.14	-10.6%
Other debtors	31.62	33.94	-6.8%	Interest bearing loans and borrowings	334.08	408.27	-18.2%
Cash and other current assets	832.24	650.76	27.9%	Trade credits	841.07	865.18	-2.8%
				Other current liabilities	118.61	173.68	-31.7%
TOTAL ASSETS	4,429.55	3,990.97	11.0%	TOTAL EQUITY AND LIABILITIES	4,429.55	3,990.97	11.0%

On 31st December, Acerinox had 1,909 million euros in standing credit lines, 29% of which were available.

In its aim to diversify sources of finance, the Group issued bonds twice over the year, which were subscribed in the form of private placements. The first was signed in July for an amount of 75 million euros, due in 2024; and the second in December for an amount of 50 million euros, due in 2018.

The capital markets support the strategy of Acerinox, buying these bonds under very competitive conditions that reflect its long-term credibility in financial markets.

The cash flow statement shows the importance of working capital in our sector. Despite the increase in revenue from these better results, the 261million increase in working capital has meant that the total cash flow generated by the Group was a negative 27 million euros, after having made investment payments of 74 million euros.

Abbreviated statement of cash flow (Year 2014)

Million euros

	Jan - Dec 2014	Jan - Dec 2013
Result before taxes	243.8	33.2
Adjustments for:	227.7	185.7
<i>Depreciation and amortisation</i>	150.3	135.0
<i>Changes in provisions and impairments</i>	-2.6	1.7
<i>Other adjustments in the result</i>	80.0	49.0
Changes in working capital	-261.4	149.1
<i>Changes in operating working capital</i>	-213.2	187.9
· <i>Inventories</i>	-122.1	140.9
· <i>Trade debtors</i>	-66.9	9.6
· <i>Trade creditors</i>	-24.1	37.4
<i>Others</i>	-48.3	-38.8
Other cash-flow from operating activities	-160.2	-108.7
<i>Income tax</i>	-103.4	-54.7
<i>Financial expenses</i>	-56.8	-54.0
NET CASH-FLOW FROM OPERATING ACTIVITIES	49.9	259.3
Payments for investments on fixed assets	-74.2	-160.8
Others	-3.1	-1.3
NET CASH-FLOW FROM INVESTING ACTIVITIES	-77.3	-162.1
NET CASH-FLOW GENERATED	-27.4	97.2
Acquisition of treasury shares	0.0	0.0
Dividends paid to shareholders and minorities	-56.1	-46.8
Changes in net debt	151.2	18.5
<i>Changes in bank debt/private placement</i>	195.2	-5.3
<i>Conversion differences</i>	-44.0	23.8
Attributable to minority interests	0.0	0.0
Others	0.0	0.1
NET CASH-FLOW FROM FINANCING ACTIVITIES	95.0	-28.3
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	67.7	68.9
Opening cash and cash equivalents	629.6	582.7
Effect of the exchange rate fluctuations on cash held	41.1	-22.0
CLOSING CASH AND CASH EQUIVALENTS	738.4	629.6

Improvement Plans

At December 31, 2014, after two years of implementation, the Group has achieved 88% of the targets in the Excellence Plan III, equivalent to 52.7 million euros of annual recurring savings. It is noteworthy that great progress in all chapters during the two years of the Plan, from 68% compliance in the first year to 107% in the second, which has exceeded the total objective of the Plan, consolidated savings achieved.

Excellence Plan IV 2015-2016 was approved by the Board of Directors on the 16th December 2014. Like the preceding Plans, this one is based on the internal benchmarking activities which are becoming more and more extended and deeply rooted in Acerinox's corporate culture. It inherits some chapters from previous Plans, as well as adding new ones, and is intended to become one of the Acerinox Group's main management tools.

As was the case with previous plans, this Plan's starting point is the preceding fiscal year, that is, 2014. All progress made thanks to previous Plans up to the current date will therefore be consolidated. Non-attained goals will remain in the Plan and more ambitious ones will be set, always with the objective of extending the very best practices to all business units.

In addition to the Excellence Plans, Acerinox has carried out a thorough fixed cost reduction, which has resulted savings of 110 million euros.

It is to be highlighted the savings on personnel, 54 million euros, as well as the new model in optimization and rationalization of the maintenance plan, which have led to savings of 45 million euros.

Human Resources

At the end of 2014, the Group's workforce consisted of 6,701 employees. The total number of workers was reduced by 283 people compared to the previous year, despite the opening of new trading companies and the hiring of staff for Bahru Stainless' new plant in Malaysia. This cutback was, among other reasons, the result of the rationalisation process the European trading companies have undergone in order to adjust them to the Group's new strategies and technologies within a very competitive environment and the resizing of Columbus in order to increase productivity and efficiency.

The 53.5% of the Group's employees perform their duties outside Spain. By continents, Europe still has the highest percentage of the Group's employees with 50.3%, followed by America (21.2%), Africa (20.3%) and Asia/Pacific (8.1%).

	2014	2013
Acerinox, S.A.	58	62
Acerinox Europa	2,280	2,334
NAS	1,382	1,381
Columbus	1,361	1,601
Bahru Stainless	447	385
Roldán and Inoxfil	539	534
Spanish Trading companies	236	244
Overseas Trading companies	398	442
Total	6,701	6,983

Investments

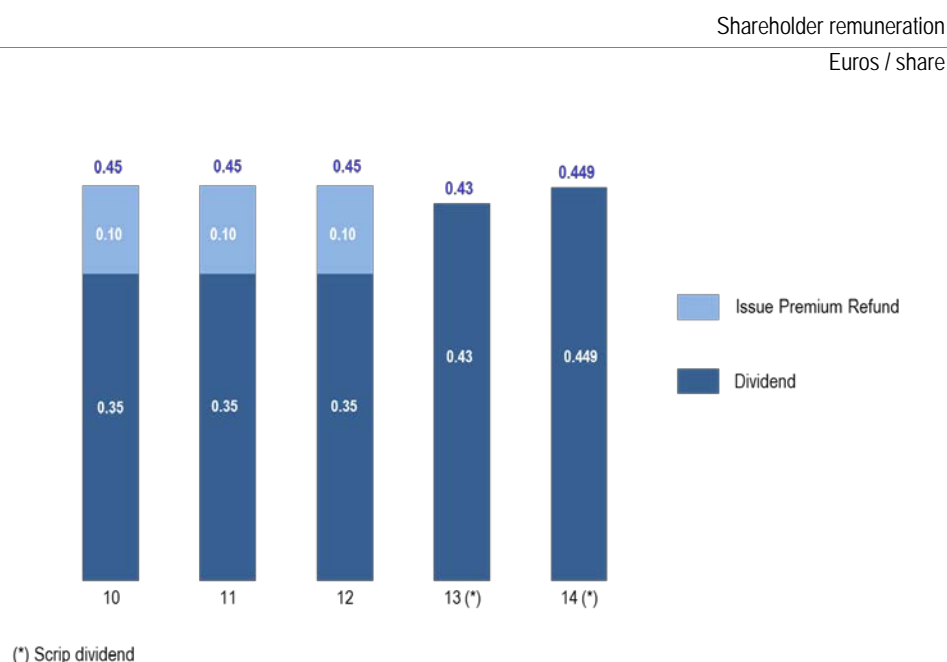
73.7 million euros were allocated to the Group in 2014, a slightly smaller amount than in 2013. The reduction reflects the prudence policy of the Group and the consolidation of II Phase of Cold Roll in Bahru Stainless.

The quantities in this investment chapter are detailed in the following table:

	Investments Million euros	
	2014	2013
Acerinox, S.A.	1.0	0.7
Acerinox Europa	15.7	39.6
NAS	9.5	8.5
Columbus	6.1	16.0
Bahru Stainless	39.2	59.3
Roldán and Inoxfil	0.9	1.6
Spanish Trading Companies	0.1	0.1
Overseas Trading Companies	1.3	0.4
Total	73.7	126.3

Return to shareholders

The General Shareholders Meeting of 10th June 2014 approved payment of a scrip dividend to a maximum sum of 115,715,779.65 euros, equivalent to the sum of approximately 0.45 euros per share. This is the same amount that the company has paid to shareholders since 2007.



It is the second time that the company has chosen a scrip dividend, deciding to repeat the operation in 2014 due to the great acceptance of the system in 2013, which also rewarded shareholders who chose the scrip with good share revaluation. The acceptance of payment in shares was slightly lower in 2014 than in the previous year (51.4% compared with 56.6%).

Outlook

Despite strong competition, the best situation of the economy and our order book, allow us to be optimistic for the first Quarter of 2015. We are confident that this improvement is maintained throughout the year.

Main financial indicators

CONSOLIDATED GROUP	Year 2014				Accumulated	2013	
	Q1	Q2	Q3	Q4		Jan-Dec	
Production (Mt.)							
	Melting shop	617,496	631,576	560,180	515,519	2,324,772	2,225,018
	Hot rolling shop	541,976	551,975	491,776	463,583	2,049,311	1,941,063
	Cold rolling shop	384,496	411,663	384,243	375,155	1,555,557	1,499,429
	Long product (hot rolling)	62,356	64,043	61,090	54,133	241,622	223,047
Net sales (million €)		1,023.78	1,146.21	1,125	1,085	4,380.29	3,966.28
Gross operating result / EBIT DA (million €)		88.74	124.25	139.89	101.30	454.18	228.14
	% over sales	8.7%	10.8%	12.4%	9.3%	10.4%	5.8%
EBIT (million €)		50.78	87.01	101.68	58.22	297.69	88.28
	% over sales	5.0%	7.6%	9.0%	5.4%	6.8%	2.2%
Result before taxes and minorities (million €)		38.23	73.30	87.39	44.85	243.78	33.18
Result after taxes and minorities (million €)		25.07	51.03	57.72	2.51	136.33	22.07
Depreciation (million €)		37.01	37.10	36.90	39.33	150.34	134.98
Net cash flow (million €)		62.08	88.13	94.62	41.84	286.67	157.05
Number of employees		6,789	6,713	6,693	6,701	6,693	6,983
Net financial debt (million €)		760.49	828.05	845.28	615.72	615.72	529.33
Debt to equity (%)		48.4%	54.3%	48.8%	33.2%	33.2%	34.1%
Number of shares (million)		257.15	257.15	261.70	261.70	261.70	257.15
Return to shareholders (per share)		---	---	0.449	---	0.449	0.43
Daily average shares traded (n° of shares, million)		1.25	1.17	1.13	1.10	1.16	1.08
Result after taxes and minorities per share		0.10	0.20	0.22	0.01	0.52	0.09
Net cash flow per share		0.24	0.34	0.36	0.16	1.10	0.61