

FINANCIAL STRENGTH IN A WORLDWIDE RECESSION

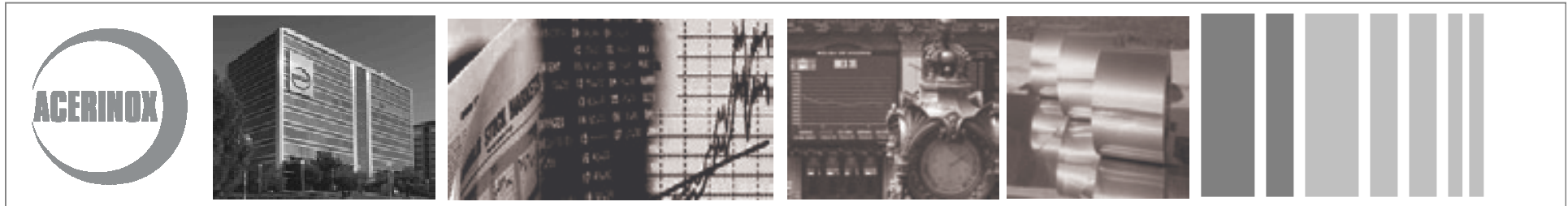
Miguel Ferrandis

Chief Financial Officer of Acerinox

Investor and Analyst's Day

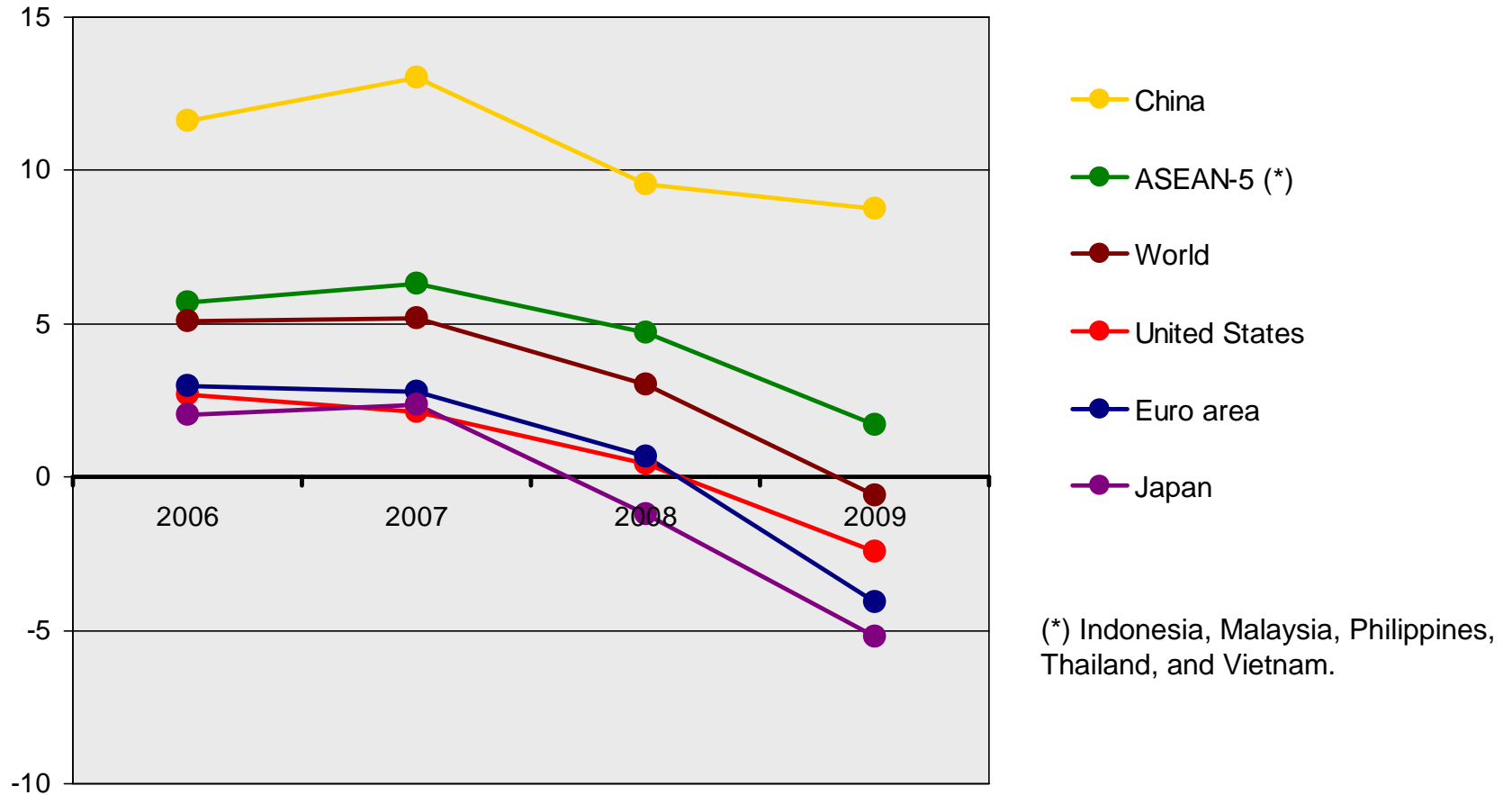
North American Stainless (NAS)

16th September 2010





EVOLUTION OF THE GDP (2006 –2009)

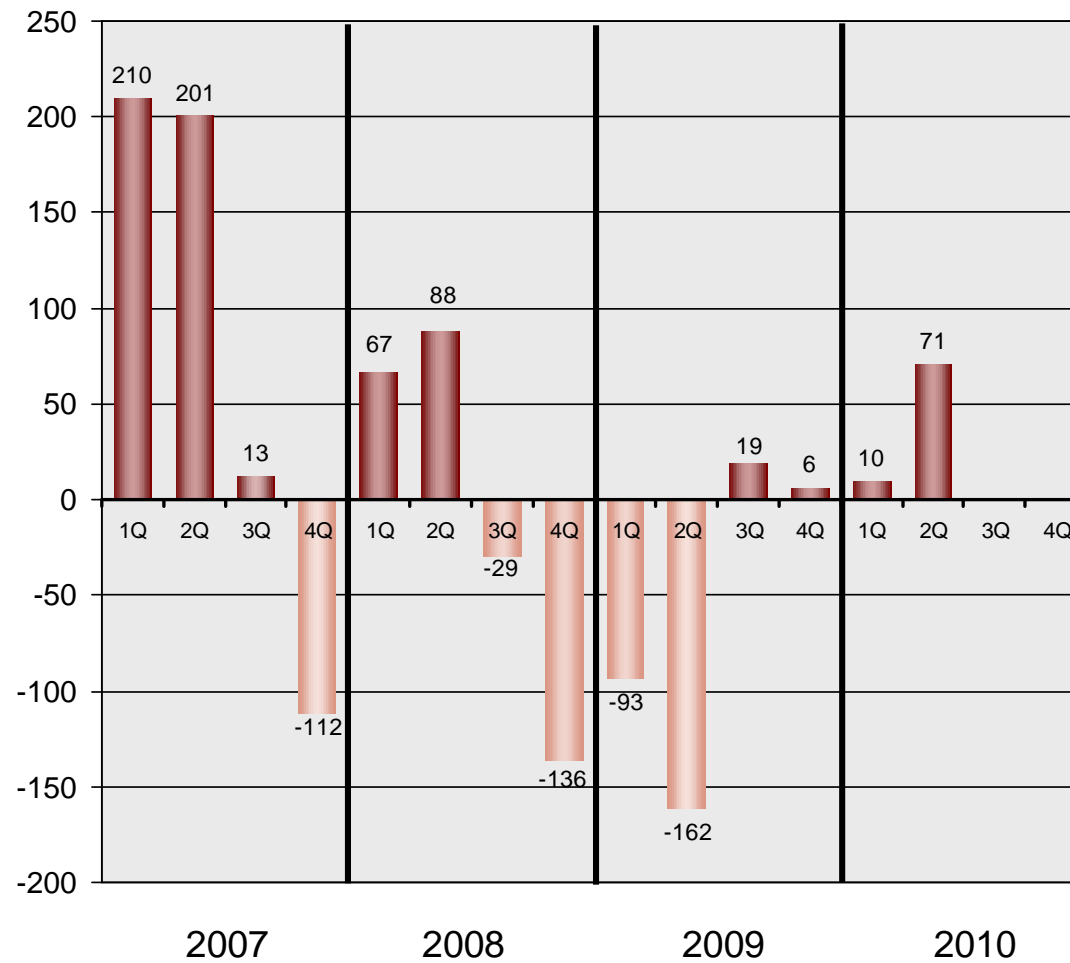


Source: International Monetary Fund, World Economic Outlook Database, April 2010



RESULTS AFTER TAXES AND MINORITIES. ACERINOX CONSOLIDATED GROUP

Million €





FINANCIAL ACHIEVEMENTS IN A WORLDWIDE RECESSION

- ▶ Ongoing capex program
- ▶ Keeping retribution to shareholders
- ▶ Flexibility to manage a volatile working capital



INVESTMENTS IN THE CONSOLIDATED GROUP

Thousand €

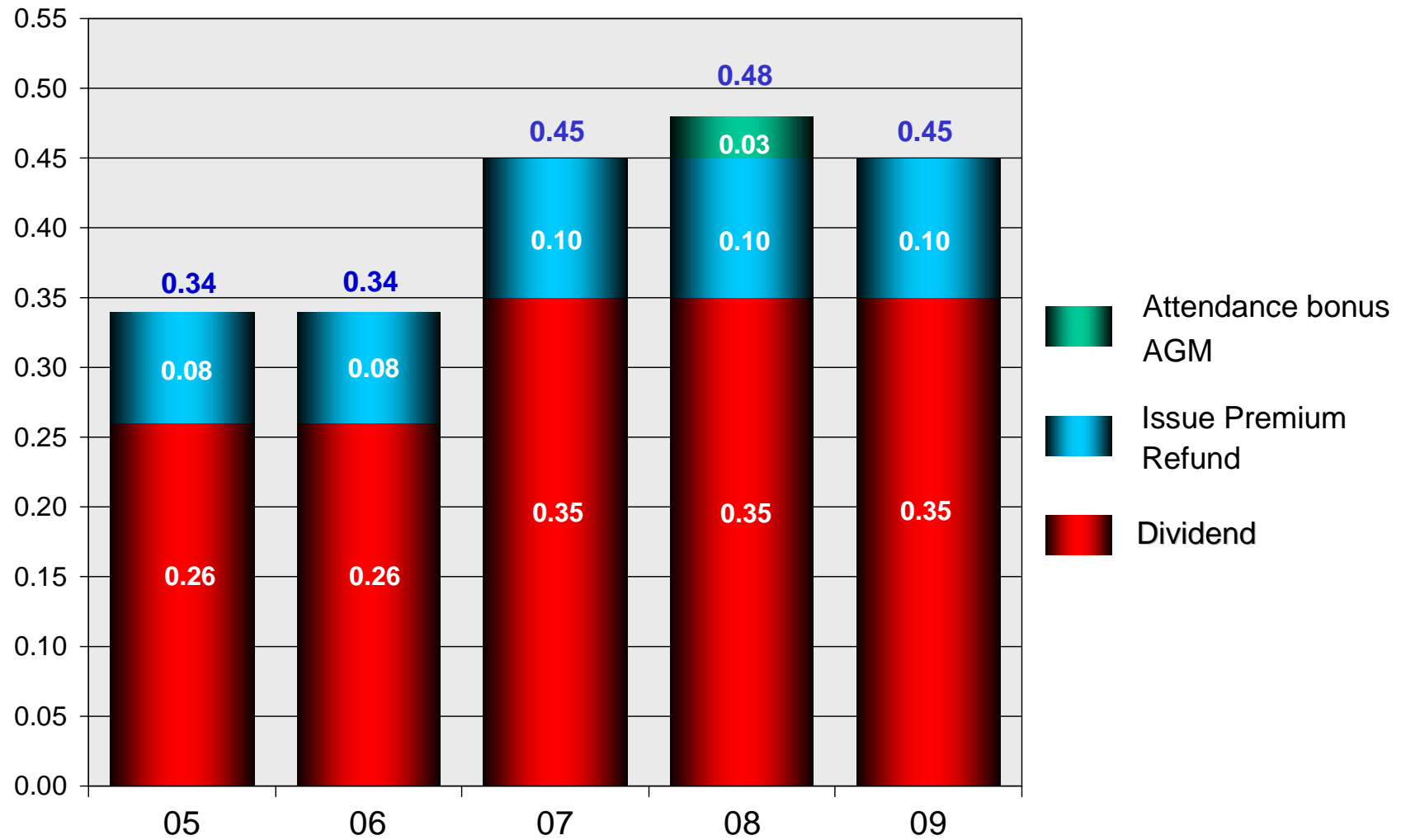
	2009	2008	2007	2006	2005
- ACERINOX, S.A.	40,859	92,669	52,273	37,530	45,787
- NAS	45,996	164,845	99,428	99,365	125,078
- COLUMBUS	29,784	54,808	26,065	18,501	28,195
- BAHRU STAINLESS	101,977	---	---	---	---
- ROLDAN AND INOXFIL	1,682	8,506	17,829	8,505	7,022
- DOMESTIC TRADING COMPANIES	138	1,301	3,078	2,923	4,349
- OVERSEAS TRADING COMPANIES	10,449	20,121	16,521	9,875	12,080
TOTAL	230,886	342,250	215,194	176,699	222,511

- Main investments in Acerinox, S.A., NAS and Columbus are already made
- CAPEX for next years should be in line with the previous years and focused in Bahru Stainless



RETURN TO SHAREHOLDERS

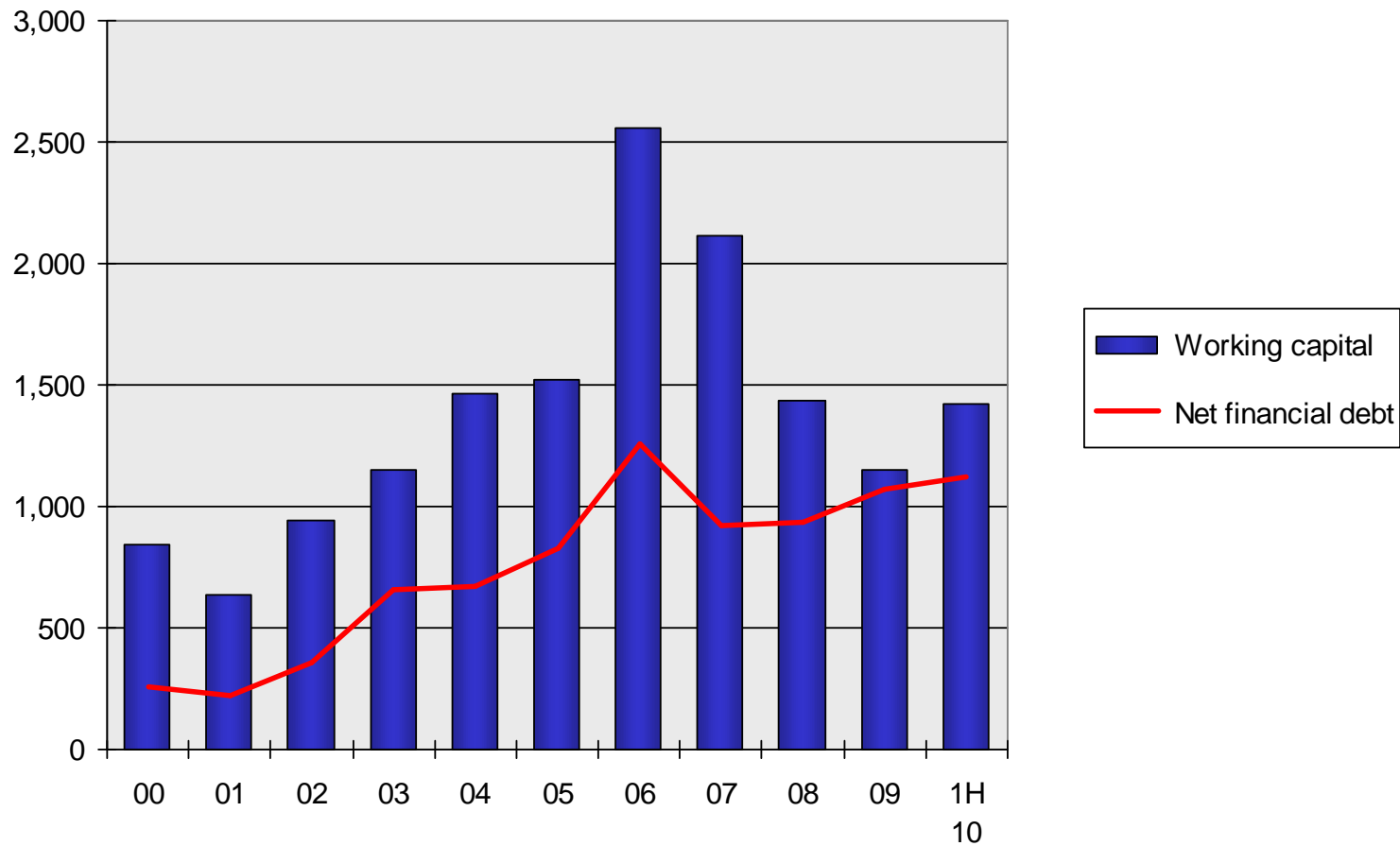
€ / share





EVOLUTION OF THE NET FINANCIAL DEBT AND WORKING CAPITAL

Million €





TRADITIONAL FINANCIAL STRENGTHS

- ▶ Strong balance sheet
- ▶ Prudent leverage
- ▶ Well balanced debt
- ▶ Diversified bank pool



CONDENSED BALANCE SHEET OF ACERINOX CONSOLIDATED GROUP

June 2010

ASSETS

Million €	Jun-10	2009	Variation
Non-current assets	2,280.71	2,002.06	13.9%
Current assets	2,269.59	1,615.72	40.5%
- Inventories	1,624.31	1,154.45	40.7%
- Debtors	527.28	371.19	42.1%
<i>Trade debtors</i>	<i>487.48</i>	<i>304.17</i>	<i>60.3%</i>
<i>Other debtors</i>	<i>39.80</i>	<i>67.01</i>	<i>-40.6%</i>
- Cash and other current assets	118.00	90.09	31.0%
TOTAL ASSETS	4,550.29	3,617.79	25.8%

LIABILITIES

Million €	Jun-10	2009	variation
Equity	2,017.95	1,752.52	15.1%
Non-current liabilities	963.33	800.07	20.4%
- Interest-bearing loans and borrowings	667.11	543.18	22.8%
- Other non-current liabilities	296.21	256.89	15.3%
Current liabilities	1,569.01	1,065.19	47.3%
- Interest-bearing loans and borrowings	526.86	604.63	-12.9%
- Trade creditors	689.22	306.15	125.1%
- Other current liabilities	352.93	154.42	128.6%
TOTAL EQUITY AND LIABILITIES	4,550.29	3,617.79	25.8%



“Cash is the king”

Source: Expansión August 2, 2010

Los grupos del Ibex ponen el foco en su tesorería para salvarse de la crisis

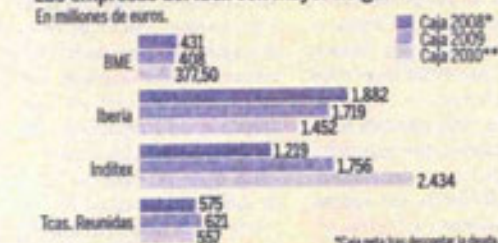
‘CASH IS THE KING’/ Las grandes empresas españolas agilizan la gestión de su circulante y diversifican sus fuentes de financiación para sortear las dificultades del contexto de restricción crediticia por la recesión.

OBJETIVO: DOMINAR LA CAJA

Compañías con alto endeudamiento

	Deuda/ebtida '10	Deuda neta 2010* En millones de euros.	Variación vs deuda neta 2009
Sacyr Vallehermoso	20,19	11.716	-1,2%
Ferrovial	9,73	22.836	2,5%
ACS	6,56	10.021	8,1%
Acciona	6,33	8.257	13,6%
Abengoa	6,21	4.761	14,0%
Abertis	5,56	14.120	-3,2%
FCC	5,22	7.853	2,6%
Criteria	4,71	6.646	-1,8%
OHL	4,57	3.868	12,2%
Enagás	4,16	3.281	12,1%
Gas Natural	3,99	17.692	-15,4%
Iberdrola	3,82	27.904	-4,8%
Red Eléctrica	3,71	3.448	10,4%
Iberdrola Renovables	3,49	5.608	32,3%
Acerinox	3,01	1.290	20,1%
Grifols	2,02	580	0,9%

Las empresas del Ibex con mayor holgura financiera



A reducir deuda tocan

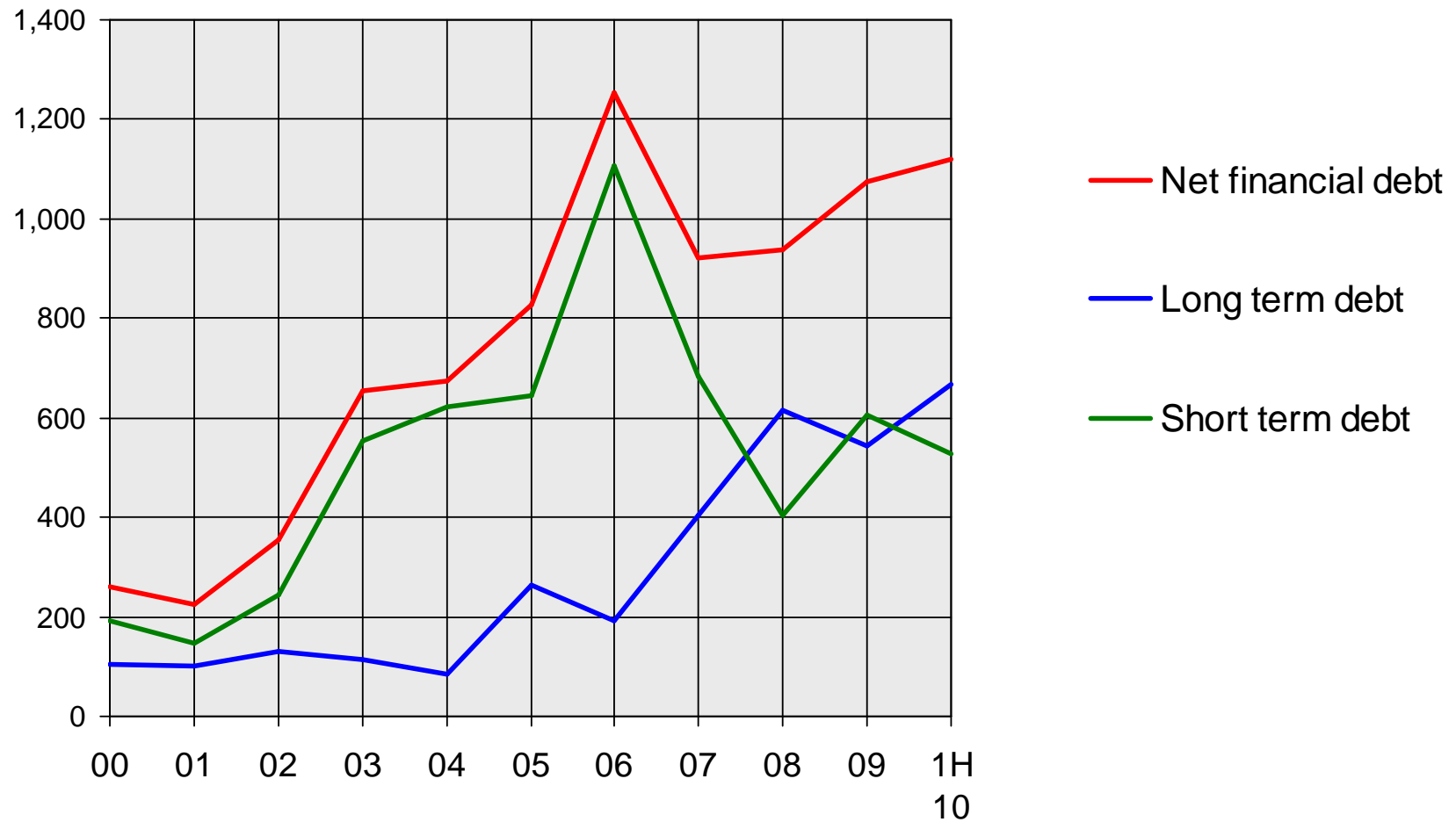


*Caja neta tras descontar la deuda. La cifra de 2009 y 2010 son previsiones de los analistas. **Datos IRE, IS.



EVOLUTION OF THE ACERINOX GROUP FINANCIAL DEBT

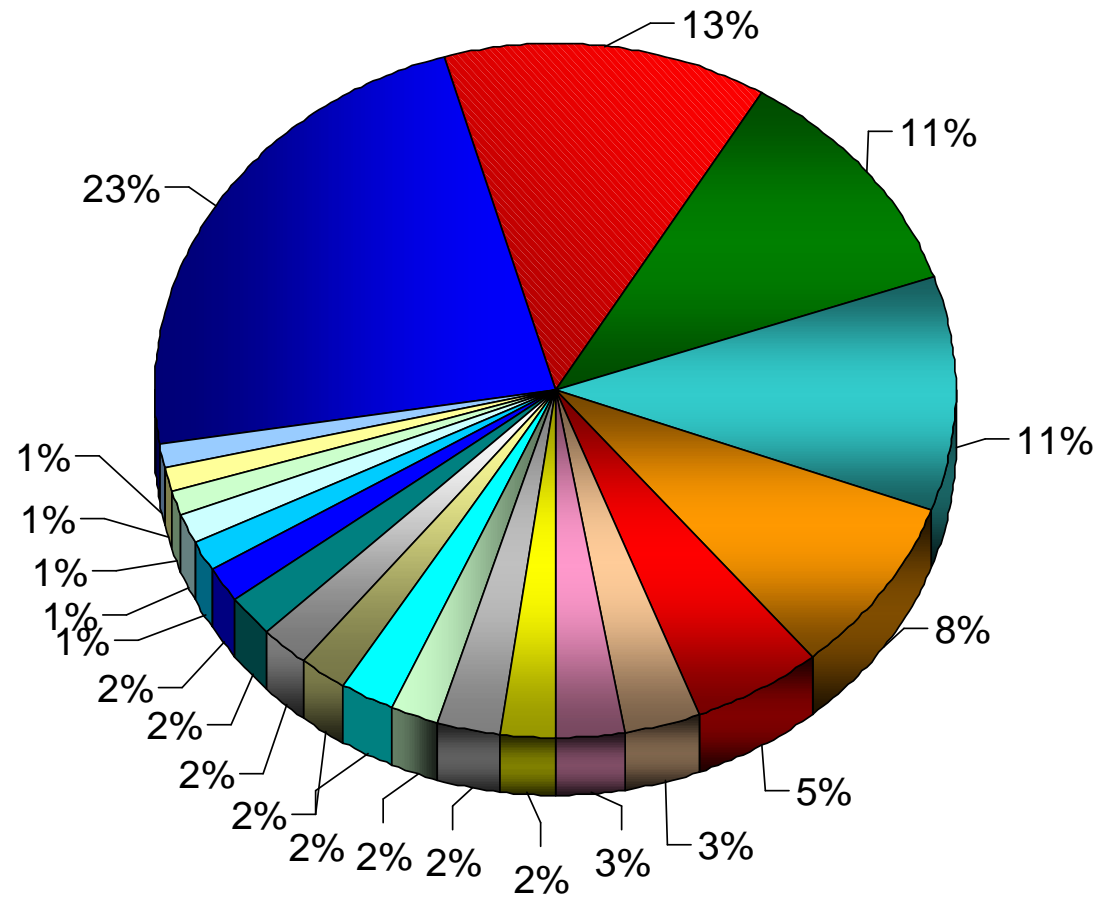
Million €





MAIN FINANCIAL INSTITUTIONS

98% credit lines available through 20 institutions in June 2010





PASSING THROUGH THE CRISIS WITHOUT...

- ▶ ...necessities of capital increase
- ▶ ...divest in depressed market terms
- ▶ ...desperate negotiation of facilities
- ▶ ...further approach to capital markets



FINANCIAL STRATEGY: PRUDENCE AND FLEXIBILITY

PRUDENCE

&

FLEXIBILITY

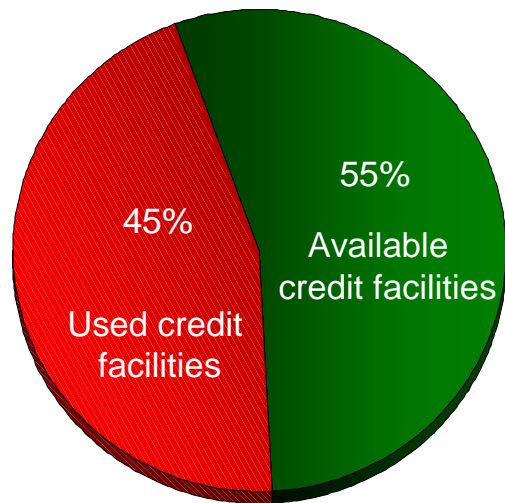
- ▶ Keeping 90% credit lines on place
- ▶ 40% facilities available for usage
- ▶ Overweight term loans
- ▶ Competitive finance cost
- ▶ Improving working capital exposure
 - ▶ Differing trade creditors payment
 - ▶ Reducing trade debtors
 - ▶ Reducing inventories (Excellence Plan)



CREDIT LINES IN ACERINOX GROUP

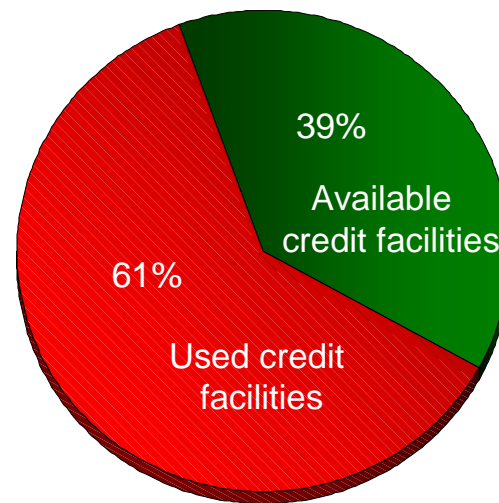
December 2008

Total existing lines:
2,253 mill. €



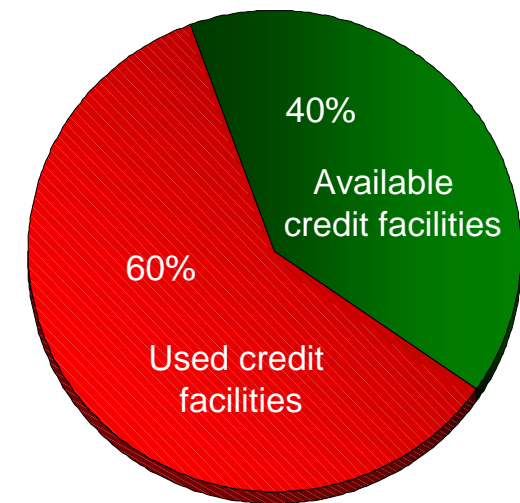
December 2009

Total existing lines:
1,873 mill. €



June 2010

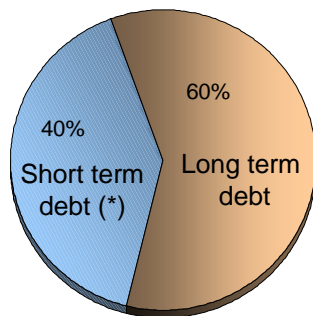
Total existing lines:
2,001 mill. €





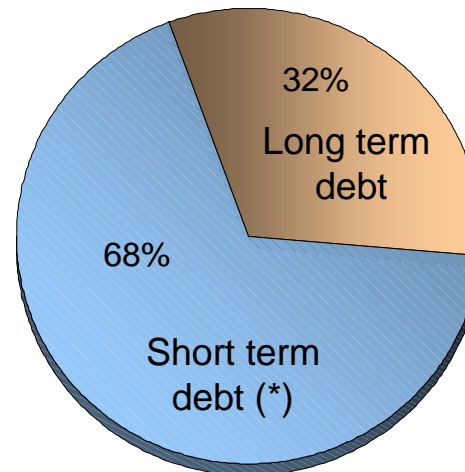
DISCLOSURE OF THE SHORT AND LONG TERM DEBT WITH FINANCIAL INSTITUTIONS

Year 2000



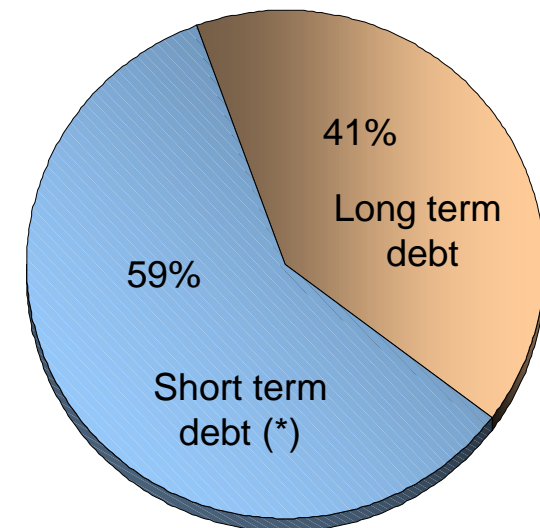
Net debt: 258.89 million €

Year 2005



Net debt: 828.60 million €

June 2010



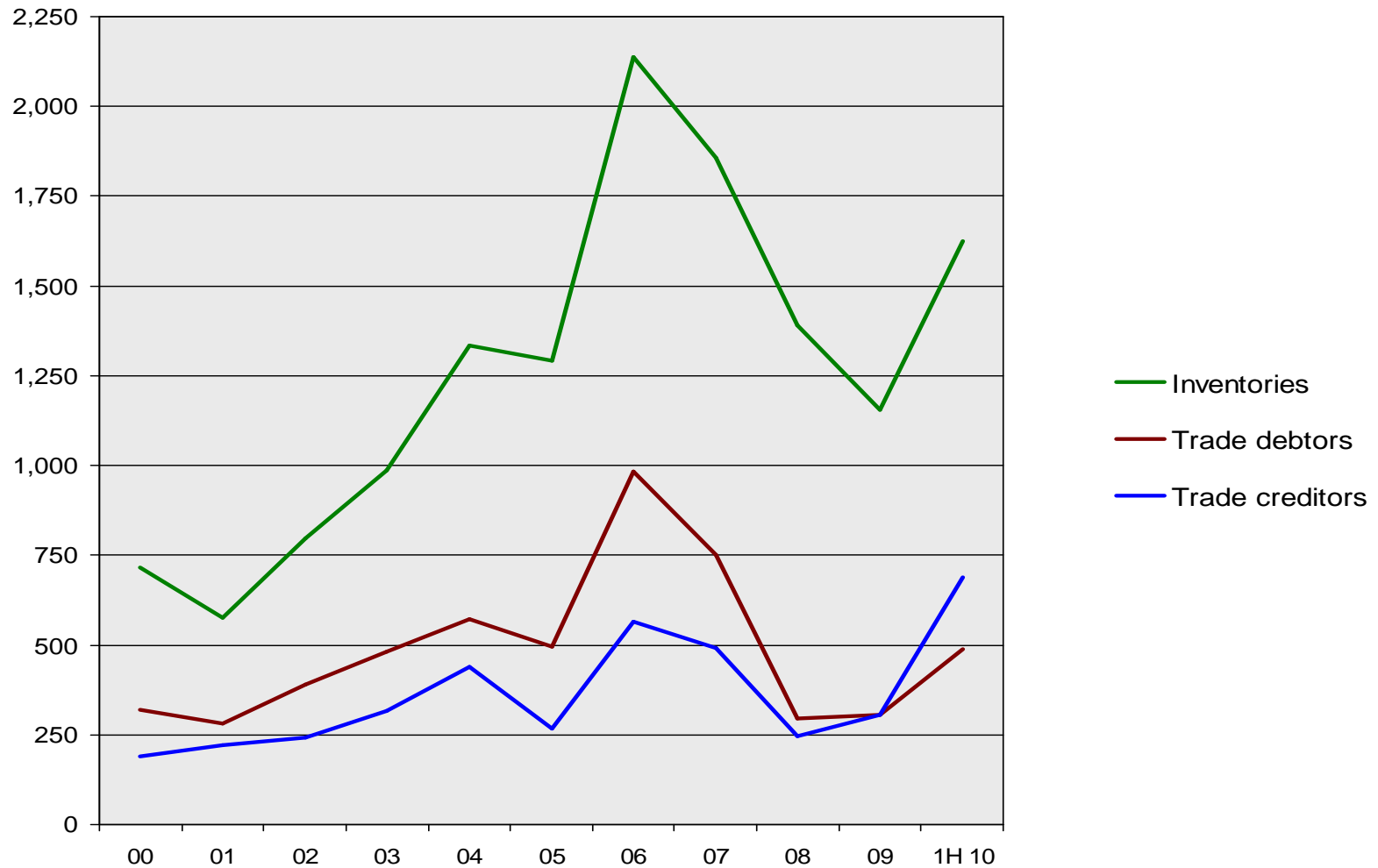
Net debt: 1,121.05 million €

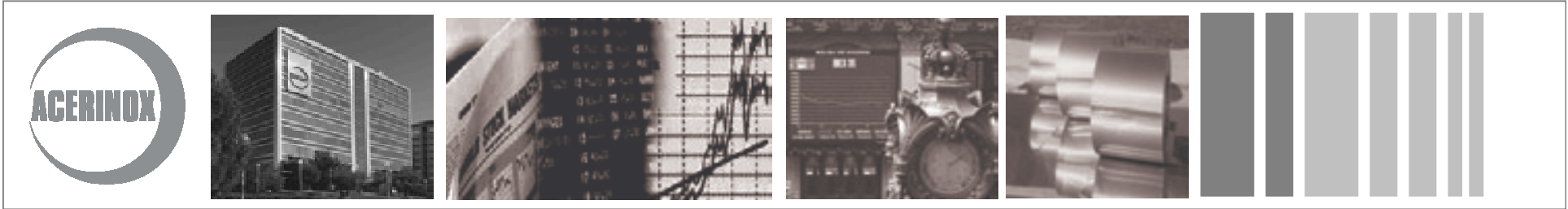
(*) Treasury has been deducted of the short term debt



EVOLUTION OF THE WORKING CAPITAL

Million €





FINANCIAL STRENGTH AS A COMBINATION OF PRUDENCE AND FEXIBILITY

Thank you!!