



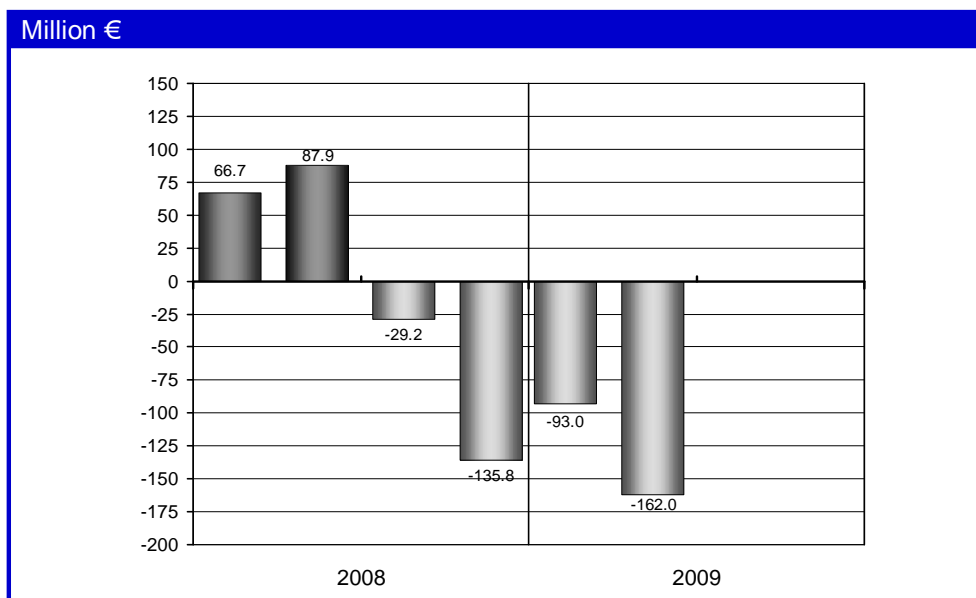
PRESS RELEASE
29th July 2009

1st Half Year 2009

More relevant aspects

- The world economic crisis turns the first half of year 2009 into the worst year in the stainless steel history
- During this period ACERINOX results after taxes and minorities is a loss of 255 million euros
- The whole of taken measures in the last twelve months have strengthen ACERINOX leadership in the stainless steel sector
- The process of inventories reduction in the markets has come to its end
- The recent demand recovery and the improvement of the order book allow to increase production in the next months and to expect positive results for the third quarter.

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



First half of year 2009: the worst semester in the stainless steel history.

The stainless steel market has suffered the worst semester of its history due to the world economic crisis and the industrial activity plunge. As a reference, the world steel production has dropped by 21.3%. In Europe it has been 43.2% lower and plunging by 51.8% in the United States.

The uncertainty in face of the length and the depth of the situation and the strong process of stainless steel inventories reduction in the factories and warehouses have led to an unparalleled demand correction aggravated by the reduction of inventories and the consumption of products which stainless steel content.

The apparent consumption of stainless steel in Europe and in the United States has fallen by more than 40% in this period according to our estimations, which reflect the crisis magnitude, but it also shows that from these minimum levels there will be an upward correction although the world economic recession would extend further than forecasted.

In the last weeks we have noticed a improvement in the market, which has allowed to consolidate price rises all over the world.

Raw materials

After the drop during most of year 2008, nickel has maintained a level of around 10,000 USD/Mt in the period October-March and since then it has had a strong 60% appreciation. It is currently quoting at levels of 16,000 USD/Mt.

OFFICIAL NICKEL PRICE IN THE L.M.E.

(Years 2008 – 2009 until 22 July)



Markets

The nickel price rise in the second quarter and the subsequent increases of the alloy surcharges have led in all the markets the beginning of a process of inventories replenishment, which are still in historical low levels.

The recovery signs noticed in May are consolidated and allow us to consider to be finished the process of inventories reduction worldwide.

The alloy surcharges and the base prices are increasing in all the markets.

The market situation allows us to be optimistic for the next months despite the seasonal factor of the third quarter.

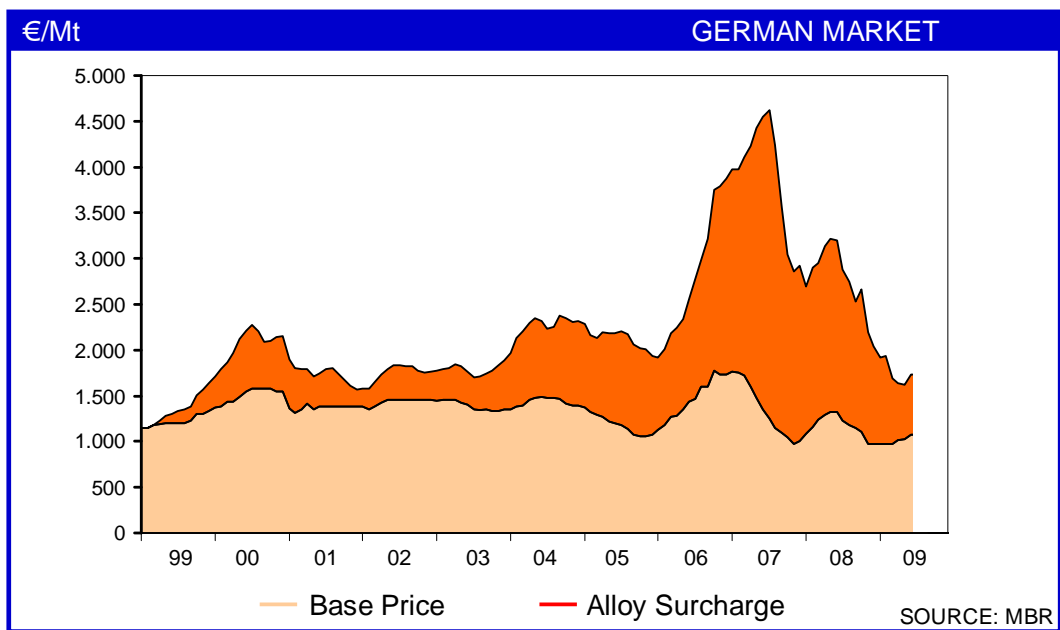
- **Europe**

The alloy surcharges increase from May has helped to reactivate demand particularly in the distribution sector. Nevertheless, final consumption has not had a significant increase.

During six months (November 2008 to March 2009) base prices have had historical low levels and since April they have increased gradually, even further than the rises announced by Acerinox and already consolidated.

STAINLESS STEEL COLD ROLLED SHEET PRICES

AISI. 304 2.0 mm (1999 – June 2009)



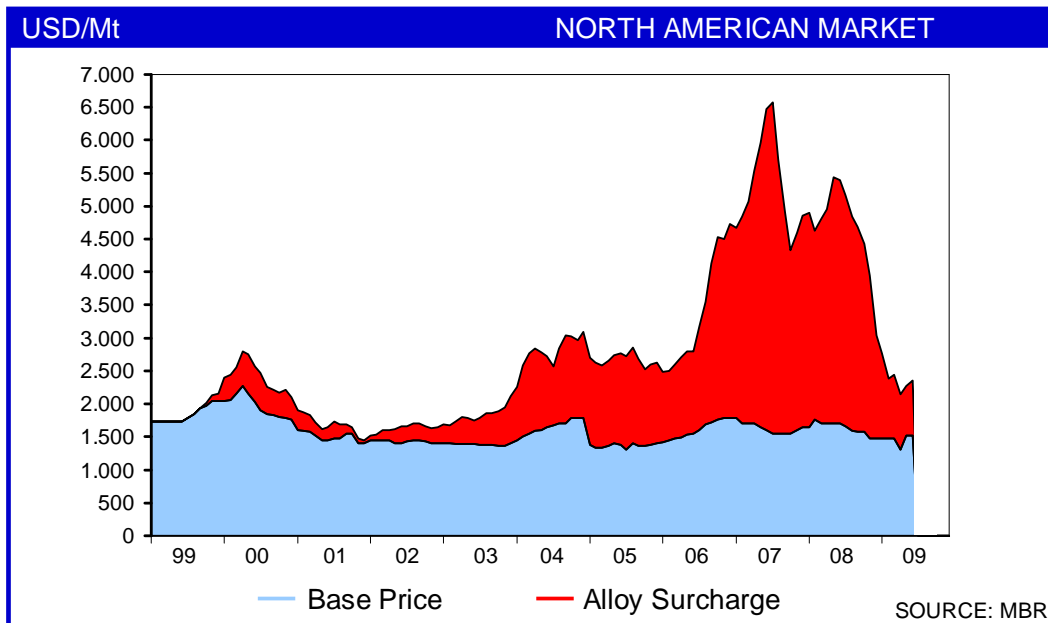
- **America**

The American market has been improving. Demand has recovered and the unusual inventories levels in the independent stockists have been replenished. Like in Europe, final consumption has not recovered yet.

The prices increases announced by North American Stainless and other producers have gradually consolidated.

STAINLESS STEEL COLD ROLLED SHEET PRICES

AISI. 304 2.0 mm (1999 – June 2009)

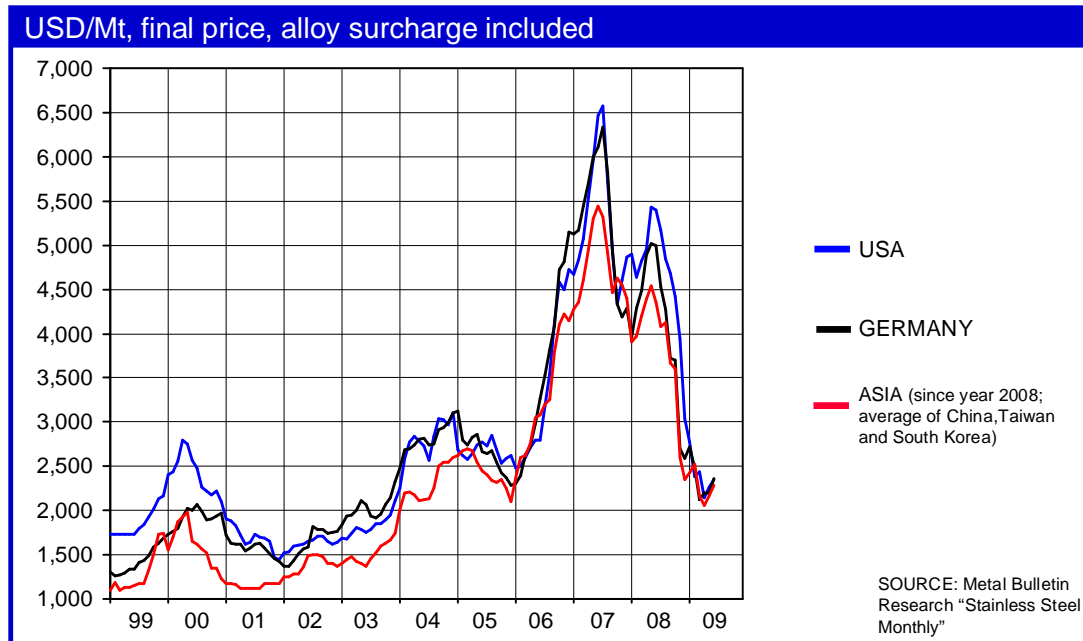


NAS leadership in NAFTA market has been very strengthened during this period, which will allow us to take part more intensively in the recovery of the North American market.

- **Asia**

The Asian market was the first to recover and the strength shown by the emerging economies of the area, together with China consumption, have reactivated demand and has allowed improvements in the whole area.

STAINLESS STEEL COLD ROLLED SHEET PRICES AISI. 304 2.0 mm (1999 – June 2009)



Columbus competitiveness is allowing us to participate actively in the recovery of this market.

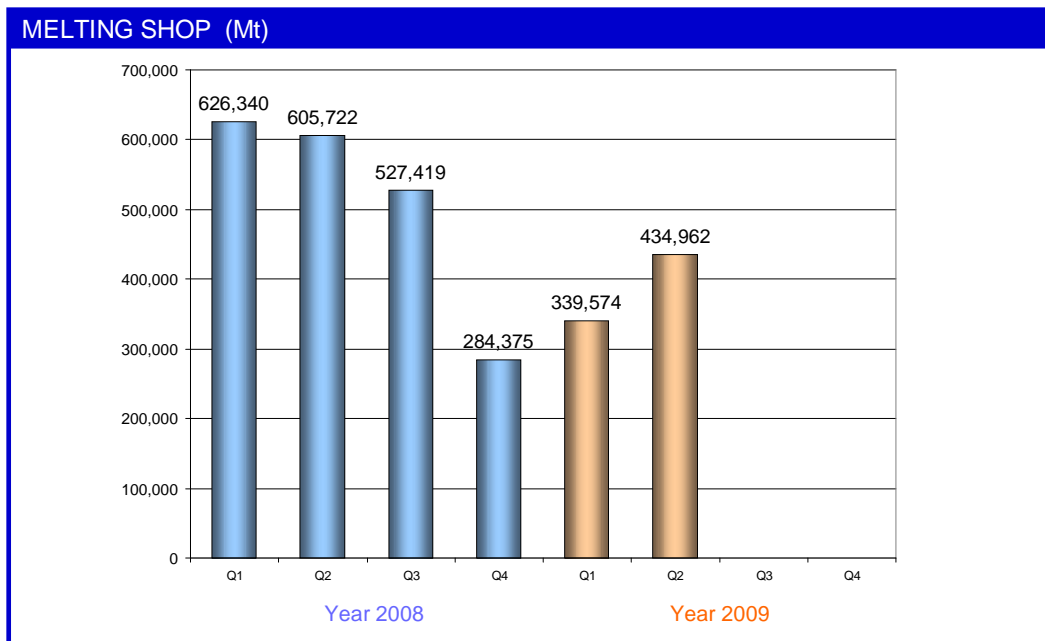
Production

In the first half of the year Acerinox Group melting production amounts to 775,000 Mt, which decreases by 37% with regard to 2008 like period. Nevertheless, the quarterly evolution is improving from the fourth quarter 2008.

Thousand Mt	2009				Accumulated	2008
	1Q	2Q	3Q	4Q		Jan - June
Melting shop	339.6	435.0			774.5	1,232.1
Hot rolling shop	296.1	382.3			678.4	1,067.8
Cold rolling shop	217.5	208.2			425.7	759.4
Long product (Hot rolling)	31.0	33.3			64.2	122.6

The production of the second quarter 2009, 435,000 Mt, is 28% higher than the output of the previous quarter and 51% higher than the last quarter 2008.

EVOLUTION OF ACERINOX GROUP PRODUCTIONS



The Group order book as of 30th June improves by 25% with regard to May and it more than doubles that of the first quarter, which will allow the Group to increase significantly production levels in the third quarter.

Regarding the Campo de Gibraltar factory, the improvement of the order situation has allowed to reduce the labour temporal adjustment plan to 75% of the working time for August and September.

Results

The intermediate financial statements for the first half of 2009 have been issued according to the International Accounting Standards, IAS 34 and have been reviewed by external auditors.

Acerinox Group losses after taxes and minorities in the first six months of year 2009, 255 million euros, reflect the strong crisis of the stainless steel sector during this period.

Profit and Loss Account of Acerinox Consolidated Group

Million €	1º Q. 09	2º Q. 09	January-June		
			2009	2008	Variation
Net sales	617.00	674.94	1,291.94	3,158.61	-59.1%
Gross margin	70.35	-37.14	33.21	762.48	-95.6%
% over sales	11.4%	-5.5%	2.6%	24.1%	
EBITDA (*)	-97.97	-184.19	-282.16	324.95	-186.8%
% over sales	-15.9%	-27.3%	-21.8%	10.3%	
Gross operating result	-97.97	-209.88	-307.85	324.95	-194.7%
% over sales	-15.9%	-31.1%	-23.8%	10.3%	
EBIT	-128.24	-240.83	-369.07	264.44	-239.6%
% over sales	-20.8%	-35.7%	-28.6%	8.4%	
Result before taxes	-141.22	-247.83	-389.05	238.46	-263.1%
Result after taxes and minorities	-92.98	-161.99	-254.97	154.59	-264.9%
Depreciation	29.19	30.78	59.98	60.11	-0.2%
Net cash flow	-63.79	-131.21	-194.99	214.69	-190.8%

(*) EBITDA is defined as the operating result excluding depreciation and provisions

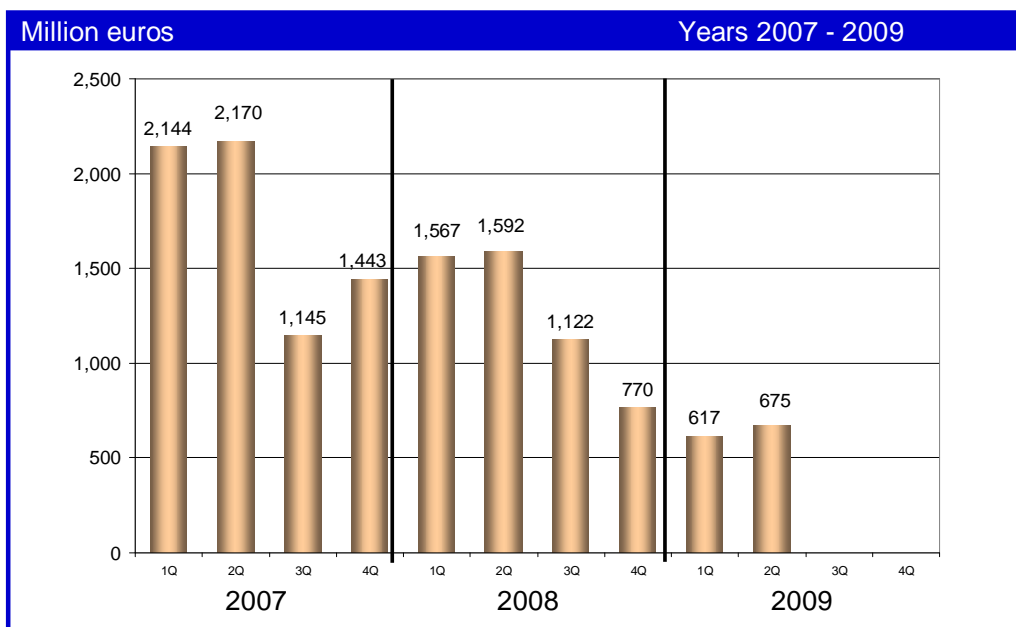
The first quarter 2009 had the worst market conditions, although its impact had been provisioned in 128.4 million euros at the end of year 2008.

The second quarter showed the market deterioration in the previous quarter. The higher levels of activity have allowed Acerinox Group to carry out a strong inventories reduction still with higher costs than the market prices, which has led to register a quarterly loss after taxes and minorities amounting to 162 million euros.

Despite expecting positive results for the 3rd quarter, on prudent accounting basis, it has been recorded a provision for adjusting inventories to net realizable value for an amount of 25.7 million euros.

Net sales in the period, 1,292 million euros, is 59.1% lower than the invoiced figure of the first half of year 2008.

EVOLUTION OF ACERINOX GROUP NET SALES



The geographical distribution of Acerinox Group assets allows a balanced sharing in the main markets, as it is shown in this chart.

GEOGRAPHICAL DISTRIBUTION OF ACERINOX GROUP NET SALES

June 2009

	Jun-09	Year 2008
AFRICA	4.9%	5.8%
AMERICAS	33.3%	36.4%
ASIA	17.4%	13.6%
EUROPE	44.2%	44.1%
OCEANIA	0.1%	0.1%
TOTAL	100.0%	100.0%

The distribution percentages prove that the crisis of demand has affected all the world markets equally.

Condensed Balance Sheet of Acerinox Consolidated Group

ASSETS

Million €	Jun 09	2008	Variation
Non-current assets	2,056.28	1,844.84	11.5%
Current assets	1,545.28	1,881.89	-17.9%
- Inventories	937.01	1,388.38	-32.5%
- Debtors	388.69	373.37	4.1%
<i>Trade debtors</i>	308.18	294.60	4.6%
<i>Other debtors</i>	80.52	78.77	2.2%
- Cash and other current asset	219.58	120.14	82.8%
TOTAL ASSETS	3,601.56	3,726.73	-3.4%

LIABILITIES

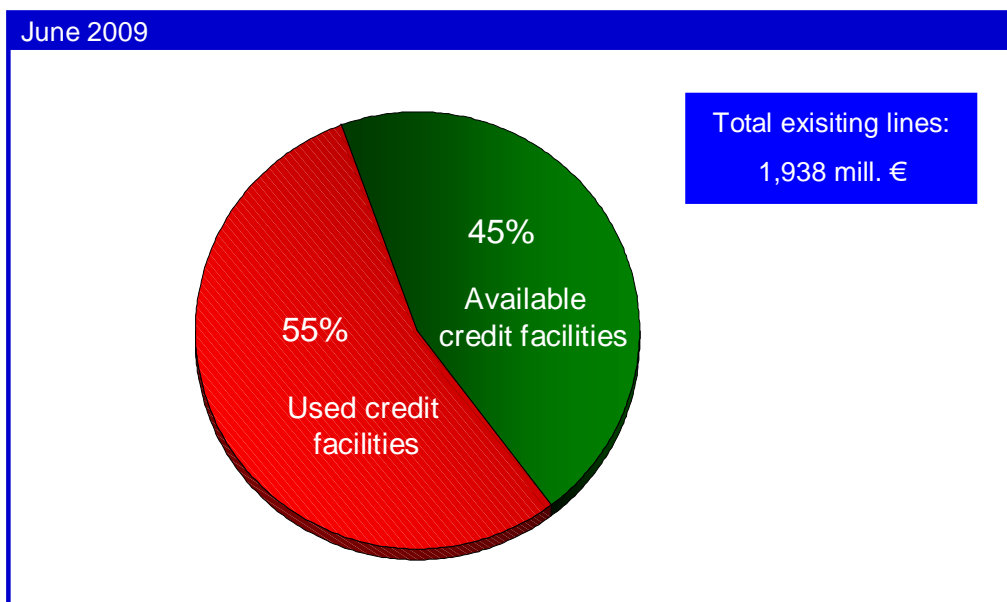
Million €	Jun 09	2008	Variation
Equity	1,754.70	2,020.55	-13.2%
Non-current liabilities	903.21	912.35	-1.0%
- Interest-bearing loans and borrowin	597.25	615.76	-3.0%
- Other non-current liabilities	305.96	296.59	3.2%
Current liabilities	943.64	793.84	18.9%
- Interest-bearing loans and borrowin	463.18	402.76	15.0%
- Trade creditors	265.64	245.08	8.4%
- Other current liabilities	214.82	146.00	47.1%
TOTAL EQUITY AND LIABILI	3,601.56	3,726.73	-3.4%

The inventories reduction in 451 million euros is very satisfactory. The working capital amounts to 980 million euros against 1,438 million euros at the end of 2008.

Acerinox Group financial debt has been reduced to 863 million euros, which involves a gearing ratio of 49.2%.

As of 30th June 2009 Acerinox Group has a total number of credit lines in place which total 1,938 million euros.

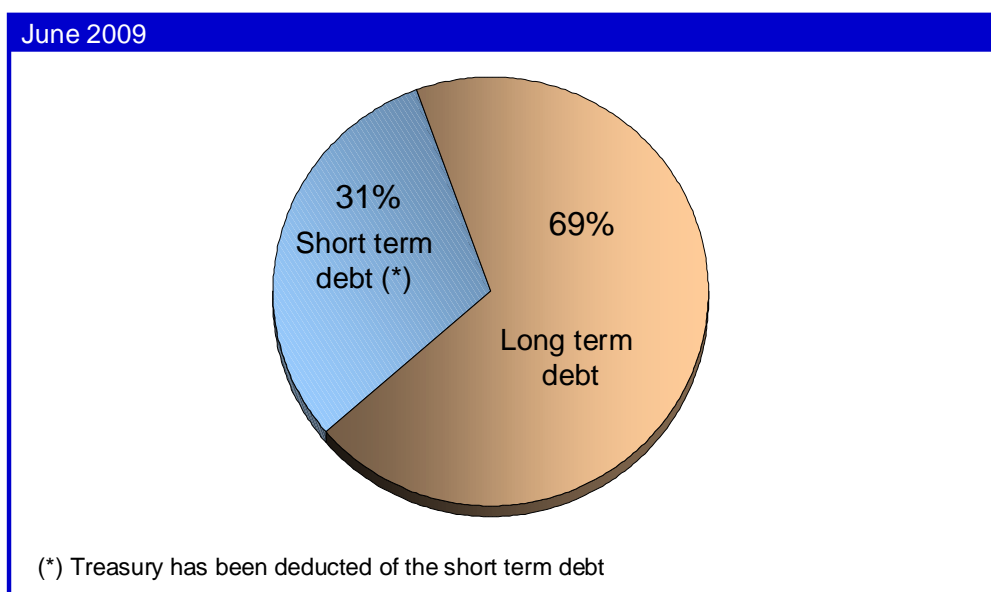
CURRENT CREDIT LINES IN ACERINOX GROUP



Long term means 69% of the total and it is submitted to the observance of the covenants. So as to cover the possibility that as of 31st December certain ratios related to the EBITDA/EBIT would not be fulfilled, the necessary waivers have been obtained from the lenders.

In its different expiry dates the short term lines have been renewed, while keeping the whole of lenders very diversified and internationalised.

DISCLOSURE OF THE SHORT AND LONG TERM DEBT WITH FINANCIAL INSTITUTIONS



Condensed cash flows of Acerinox Consolidated Group

	Jan-Jun 09	Apr-Jun 09	Jan-Mar 09	Jan-Jun 08	Jan-Dec 08
Result before taxes	-389.0	-247.8	-141.2	238.5	-16.7
Adjustments for:	-16.2	66.8	-83.0	-4.3	239.2
Depreciation and amortisation	60.0	30.8	29.2	60.1	121.9
Changes in provisions	-101.2	25.4	-126.6	-93.3	34.6
Other adjustments in the result	25.0	10.5	14.5	28.9	82.7
Changes in working capital	652.5	390.2	262.3	-22.8	452.9
Changes in operating working capital (1)	458.4	406.6	51.7	-80.5	677.9
Others	194.1	-16.4	210.6	57.7	-225.0
Other cash-flow from operating activities	1.2	-14.6	15.9	-101.0	-179.4
Income tax	26.3	-2.9	29.2	-64.8	-102.6
Financial expenses	-25.1	-11.7	-13.4	-36.2	-76.8
NET CASH-FLOW FROM OPERATING ACTIVITIES	248.5	194.5	53.9	110.4	496.0
Payments for investments on fixed assets	-130.1	-27.6	-102.5	-133.3	-328.7
Others	2.2	2.1	0.1	0.5	0.7
NET CASH-FLOW FROM INVESTING ACTIVITIES	-127.9	-25.5	-102.4	-132.8	-328.0
Acquisition of treasury shares	-3.3	0.0	-3.3	-77.8	-127.5
Dividends payed to shareholders and minorities	-49.9	-24.9	-25.0	-51.2	-114.7
Changes in net debt	21.9	-176.2	198.2	121.4	-22.3
Changes in bank debt	41.9	-166.2	208.1	81.7	-71.4
Conversion differences	-20.0	-10.0	-10.0	39.7	49.1
Attributable to minority interests	28.0	-0.1	28.0	0.0	0.0
Others	0.7	0.6	0.1	0.0	1.1
NET CASH-FLOW FROM FINANCING ACTIVITIES	-2.6	-200.6	198.0	-7.5	-263.4
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	117.9	-31.6	149.5	-29.9	-95.4
Opening cash and cash equivalents	79.7	0.0	79.7	167.3	167.3
Effect of the exchange rate fluctuations on cash held	-0.5	-4.8	4.3	-8.1	7.8
CLOSING CASH AND CASH EQUIVALENTS	197.1	-36.4	233.5	129.3	79.7

(1) Inventories + trade debtors - trade creditors

The year cash flow, 248 million euros, is to be highlighted, mainly due to the important inventories reduction process carried out during the period.

Investments for an accumulated amount of 130.1 million euros have been undertaken up to now. The forecasted investment plan has been maintained in the year. The most part of the investments for 2009 were scheduled for the first half of the year.

Return to the shareholder

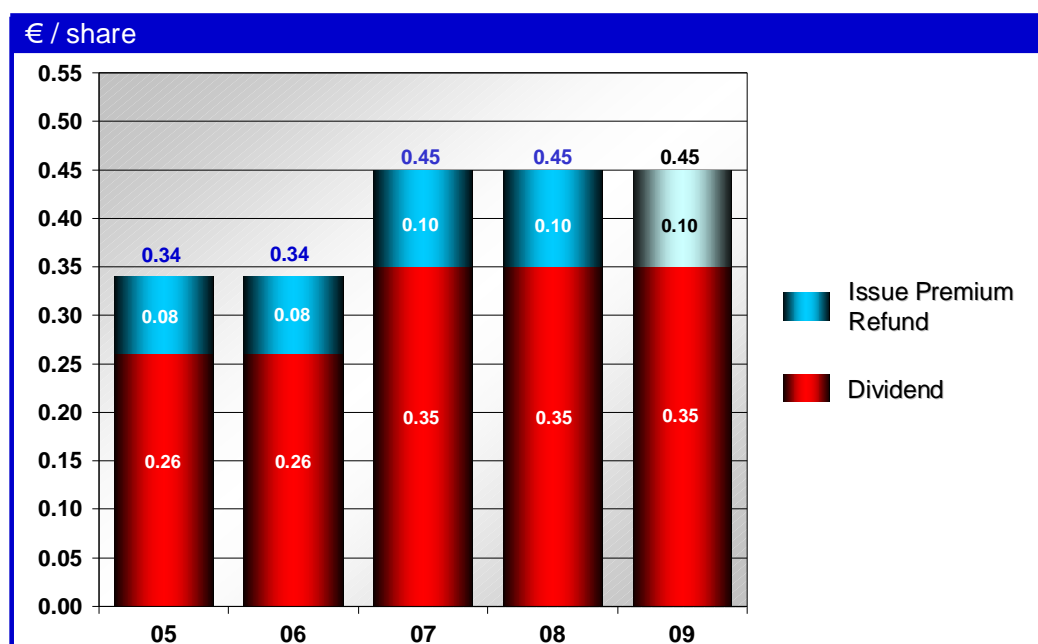
In January and in April dividends of 0.10 euros per share, on account of year 2008 were paid.

On the 3rd July the complementary dividend of 0.15 euros per share on account of Year 2008 was effective. It was agreed by the General Shareholders Meeting.

The General Shareholders Meeting also resolved to de return of the issue premium for an amount of 0.10 euros per share, which was the same of that paid in October 2008, which will be effective on the 5th October.

The total retribution which the shareholder will receive during 2009 will amount to 0.45 euros per share for the third consecutive year.

RETURN TO SHAREHOLDERS



Likewise, according to the decision taken in the General Shareholders Meeting, it has been resolved to reduce the company capital by 1.95% through the redemption of 4,995,454 shares in treasury stock.

Management of the financial risk

In the second half of the current year Acerinox Group faces the same risks, explained in the last approved Annual Accounts. The policies addressed to its management, also described in this report, are unchanged.

The international economic crisis persisting during the first half of the year has weakened the stainless steel markets and in Acerinox Group production and staff adjustments had been carried out.

The financial risks refers to the risk of all kinds of exchanges, interests, prices, credits and liquidity.

The central banks have continued reducing the interest rates. The three-month EURIBOR, main signpost of our external financing, has dropped from 2.89% as of 31st December 2008, to 1.09% as of 30th June 2009.

The policy on credit risks related to customers has not changed. Although the Group does expect a higher exposure to risk during the second half of the year, due to the fact that the higher accident rate of the credit insurance companies is leading them to take measures to reduce the limits approved for each customer.

Acerinox net debt as of 30th June represents 45% of the financing lines in place.

Adjustment Plan

From the crisis start different measures have been taken to reduced fixed costs in all the Group companies. These measures have been saving 11 million euros monthly.

One of this measures is the temporal labour adjustment plan which has been in force since the 1st March in the factories of Campo de Gibraltar and Ponferrada, which is affecting 1,945 employees by reducing working time to 50%.

The staff as of 30th June totalled 7,358 employees, including 215 employees incorporated in May by the acquisition of Yick Hoe Metals. At the end of year 2008 the total staff amounted to 7,510 employees.

Excellence Plan

The Excellence Plan 2009-2010 approved in February 2009 to save 133 millions per year (from 2011) develops satisfactorily and at the end of June 60% of the targets had been achieved.

It has to be highlighted the strong inventories reduction in all the Group companies. During the first half of the year the total amount of inventories in Acerinox Group has decreased by 20%, reaching the necessary minimum levels to guarantee the production and supply to our customers.

New investments: Barhu Stainless

The construction of the new factory in Malaysia, Bahru Stainless, evolves according to schedule. The main lines have already been contracted, the pilloting of the finishing and pickling bays is finished and the bays structure is being built. The start up is scheduled for the beginning of 2011 and we expect that at that time the consumption will have improved, which will allow to make the best use of the unique asset distribution of Acerinox Group.

Outlook

The demand recovery of the last months, the consolidation of the price rises in all the markets, the order book recent levels, the forecasted production increases in all the factories and the low inventories level, make us feel optimistic for the third quarter.

We think that the worst is over and it is not easy that such situation will happen again, because the inventories levels have been corrected.

All these allow us to face the second half of the year optimistically and we expect that final demand will get reactivated during the fourth quarter.

Figures by company

<i>Thousand Mt</i>	MELTING PRODUCTION					
	1st Q. 09	2nd Q. 09	3rd Q. 09	4th Q. 09	Year 2009	% over 2008
Acerinox, S.A.	121.4	113.6			235.0	-50.4%
NAS	130.4	161.0			291.5	-32.8%
Columbus	87.7	160.3			248.1	-23.7%
Acerinox Group	339.6	435.0			774.5	-37.1%

<i>Million €</i>	NET SALES					
	1st Q. 09	2nd Q. 09	3rd Q. 09	4th Q. 09	Year 2009	% over 2008
Acerinox Group	617.0	674.9			1,291.9	-59.1%
Acerinox, S.A.	223.5	187.8			411.4	-67.2%
NAS (million USD)	264.6	313.1			577.7	-65.3%
Columbus	122.7	183.8			306.5	-54.5%

<i>Million €</i>	PROFIT AFTER TAXES AND MINORITIES					
	1st Q. 09	2nd Q. 09	3rd Q. 09	4th Q. 09	Year 2009	% over 2008
Acerinox Group	-93.0	-162.0			-255.0	-264.9%
Acerinox, S.A.	-27.0	-47.3			-74.3	-372.1%
NAS (million USD)	-40.5	-28.7			-69.2	-143.9%
Columbus	-13.6	-32.2			-45.7	-304.1%

Main economic and financial magnitudes

CONSOLIDATED GROUP	Year 2009				Accumulated	Year 2008
	1 st Q.	2 nd Q.	3 rd Q.	4 th Q.		Jan - Jun
Production (Mt.)						
- Melting shop	339,574	434,962			774,536	1,232,062
- Hot rolling shop	296,109	382,267			678,375	1,067,820
- Cold rolling shop	217,503	208,153			425,656	759,411
- Long product (hot rolling)	30,954	33,286			64,241	122,643
Net sales (million €)						
Group	617.00	674.94			1,291.94	3,158.61
- Acerinox, S.A.	223.52	187.84			411.36	1,255.82
- NAS (million USD)	264.63	313.07			577.70	1,665.85
- Columbus	122.71	183.76			306.47	672.90
EBITDA (*) (million €)	-97.97	-184.19			-282.16	324.95
- % over sales	-15.9%	-27.3%			-21.8%	10.3%
EBIT (million €)	-128.24	-240.83			-369.07	264.44
- % over sales	-20.8%	-35.7%			-28.6%	8.4%
Result before taxes and minorities (million €)	-141.22	-247.83			-389.05	238.46
Result after taxes and minorities (million €)	-92.98	-161.99			-254.97	154.59
Depreciation (million €)	29.19	30.78			59.98	60.11
Net cash flow (million €)	-63.79	-131.21			-194.99	214.69
Number of employees	7,327	7,358			7,358	7,650
Net financial debt (million €)	863.31	863.31			863.31	1,042.25
Debt to equity (%)	49.2%	49.2%			49.2%	47.4%
Number of shares (million)	254.30	254.30			254.30	259.50
Return to shareholders (per share)	0.10	0.10			0.20	0.20
Return to shareholders (million €)	25.87	24.93			50.80	51.30
Daily average shares traded (nº of shares, million)	1.14	1.18			1.16	1.97
Result after taxes and minorities per share	-0.37	-0.64			-1.00	0.60
Net cash flow per share	-0.25	-0.52			-0.77	0.83

(*) EBITDA is defined as the operating result excluding depreciation and provisions