



ACERINOX, S.A. and NISSHIN STEEL decide to build a new stainless steel production plant in Malaysia

ACERINOX, S.A. and NISSHIN STEEL have decided, after having carried out a feasibility study and considering various alternatives, to build a new stainless steel production plant in Malaysia.

It will be located in Johor Bahru (Malaysia), in a 140 Has (350 acres) land by the sea.

The plant will be constructed with high efficiency criteria, similar to those of North American Stainless in Ghent (Kentucky – U.S.A), owned by ACERINOX.

The new plant will be constructed in successive stages and in the last one it will be an integrated stainless steel production plant, with a melting capacity of 1 million Mt/year and 600.000 Mt/year of cold rolled production. The estimated total investment amounts to 1,500 million USD.

The first stage, which investment will total 320 million USD, already approved, will consist of a cold rolling mill with a 1,500 mm width Sendzimir, a combined annealing and pickling line, an skinpass and a finishing shop. Its production capacity will amount to 240.000 Mt/year, out of which 182,000 Mt/year will be cold rolled production.

Its construction will start immediately after having finished the legal proceedings. The put into operation is forecasted for 2011. During the construction and assembly stage many native workers and local companies will be employed and when the plant will be on stream it will create about 300 direct jobs in the first stage.

For this project, a new society will be incorporated in Malaysia, where ACERINOX will hold a majority stake.

In this area ACERINOX GROUP has a strong commercial presence for many years, which will be definitely consolidated by this investment.

ACERINOX, AND NISSHIN STEEL, which already have a long cooperation together for 38 years, show in this way their firm decision to continue with this alliance and to open new fields of mutual cooperation.

With this investment, ACERINOX and NISSHIN STEEL will enhance significantly Malaysia development, its exports and the stainless steel market expansion in the ASEAN countries, contributing to offer a close supply source, with competitive materials manufactured with the highest quality levels.

For ACERINOX GROUP this factory in Malaysia, once completed, will be added to the other three factories in Spain, the United States and South Africa and will increase the Group installed capacity to 4.5 million Mt.

This decision represents a very important strategic step in ACERINOX GROUP development, improving the assets distribution, which is already unique in the sector.