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FOR IMMEDIATE RELEASE:

## **IBH REPORTS FIRST FISCAL QUARTER RESULTS**

Caracas, January 30, 2003...International Briquettes Holding, IBH, a Sivensa subsidiary, reported sales of US\$ 14.1 million in the October-December 2002 period, as compared to sales of US\$ 13.5 million recorded in the same 2001 period. The operating loss reported was US\$ 0.1 million and the net loss US\$ 3.1 million.

Venprecar's production in the quarter was 141,401 MT, compared with 150,798 MT in the same period of the preceding fiscal year. On December 9, Venprecar suspended its operations due to the lack of natural gas supply caused by the general strike that started in Venezuela on December 2. A significant part of the oil industry summed to this strike. Because of the lack of gas, the plant produced approximately 45,000 MT less than the expected volume in the month of December.

As mentioned at the close of the prior fiscal period, the company had programmed to carry out investments in the Venprecar plant in February, to substitute some components of the gas reformer that show erosion. However, restrictions present at the national ports as a consequence of the national civic strike, have caused delays in the arrival in the country of the equipment to be installed at the plant. For this reason the program to execute these works at the Venprecar plant has fallen behind.

In this period, there was no loss reported in Equity Participation in Affiliates. In the same quarter of the preceding fiscal year, a US\$ 13 million loss was reported in this account. It should be recalled that as of September 30, 2002, due to the recurrent losses recorded by the Orinoco Iron, Operaciones RDI and Brifer affiliates, and to the fact that no debt restructuring agreement had been reached for Orinoco Iron, IBH decided to provision the equivalent to book value of the investment to that date.

Separately, due to the recording of the debt with the main supplier of raw material at the lending interest rate in bolivares, a US\$ 2 million interest expense was incurred, in contrast with US\$ 0.2 million in the October-December 2001 period, when this credit caused interests at lending rates in dollars. Another aspect of the Statement of Results that deserves explanation, is the US\$ 1 million

exchange loss recorded in the October-December 2002 period, as a consequence of the effect on the bolivar denominated monetary liabilities, of the bolivar revaluation experienced in the quarter when the exchange rate went from Bs. 1,474.0 per dollar on September 30, 2002, to Bs 1,403.0 per dollar on December 31 of the same year.

### **Orinoco Iron**

The Orinoco Iron plant produced 142,534 MT in the October-December 2002 period, as compared to 147,946 MT in the equivalent period of the preceding fiscal period. This variation was essentially due to the restriction on production caused by the low gas volumes supplied as a consequence of the civic strike.

In the month of December, the plant's operations were suspended for 9 days because it was not possible to keep the operation's reliability with the volumes of natural gas supplied. Starting December 21, PDVSA Gas initiated a limited supply of gas that made it possible to restart operations in only one of the two production trains that had been programmed to operate. Failure in the supply of this fluid caused an approximate 59,000 MT production loss during the month of December. To the date of this report, the Orinoco Iron plant continues to operate with only one production train due to the shortage in the gas supply.

### **Withdrawal of Quotation from Nasdaq SmallCap Market**

This past January 27, during IBH's General Shareholder's Meeting, the shareholders approved the withdrawal of quotation of the company's shares from the Nasdaq SmallCap Market. The withdrawal of this quotation from the Nasdaq SmallCap Market is expected to become effective starting on February 18, 2003 with the opening of businesses. The company's shares will continue to be sold and quoted in the Caracas Stock Exchange.

International Briquettes Holding, IBH (Nasdaq: IBHVF) consolidates Venprecar's financial results and has a 50/50 partnership with BHP Billiton, under which are the Orinoco Iron and Operaciones RDI plants; and Brifer, which holds the intellectual rights over the FINMET<sup>®</sup> technology.

**INTERNATIONAL BRIQUETTES HOLDING  
AND ITS AFFILIATES**

CONSOLIDATED BALANCE SHEET

(Thousands of US\$, US GAAP)

	December 31,	
	<u>2002</u>	<u>2001</u>
<u>Assets</u>		
Current Assets		
Cash and cash equivalents	6,552	568
Accounts Receivable		
Customers and other current assets	5,929	9,120
Related Companies	916	12,114
Inventories	7,181	8,210
Prepaid expenses, and other current assets	5,871	976
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Total current assets	26,450	30,988
Related Companies	-	-
Investments accounted for under the equity method	-	40,584
Property, plant and equipment, net	90,750	101,681
Spare parts and other long term assets	1,654	2,747
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Total assets	<u>118,855</u>	<u>176,001</u>
<u>Liabilities and Shareholders' Equity</u>		
Current Liabilities:		
Accounts payable		
Suppliers	3,676	2,635
Related Companies	24,999	28,514
Profit sharing, vacations and other personnel accruals	376	620
Taxes payable	-	12
Other current liabilities	372	192
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Total current liabilities	29,424	31,973
Accruals for employees termination benefits, net of advances and loans to employees	664	1,063
Total liabilities	30,088	33,036
Minority interest	2,931	2,884
Shareholders' equity	85,837	140,082
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Total liabilities, minority interest and shareholders' equity	<u>118,855</u>	<u>176,001</u>

**INTERNATIONAL BRIQUETTES HOLDING  
AND ITS AFFILIATES**

CONSOLIDATED STATEMENTS OF OPERATIONS  
(Thousands of US\$, US GAAP)

	December 31,	
	2002	2001
Net sales:		
Exports	9,567	13,008
Domestic	4,554	506
	14,120	13,514
Cost of sales	(13,368)	(16,504)
Gross profit (loss)	752	(2,990)
General and administrative expenses	(899)	(1,180)
Operating Loss	(147)	(4,171)
Interest Expense	32	34
Interest Income	(2,016)	(269)
Equity in losses of affiliates	-	(13,646)
Exchange gain (loss) net	(1,090)	138
Other income (expense)	99	(29)
	(2,976)	(13,773)
Loss before taxes and minority interest	(3,122)	(17,943)
Estimated Tax	-	-
Loss before minority interest	(3,122)	(17,943)
Minority interest	2	45
Net loss	(3,121)	(17,898)