

From: International Briquettes Holding, IBH  
Subsidiary of Siderúrgica Venezolana SIVENSA S.A.  
Contact: Armando Rondón  
Telephone: 58-212-707.62.80/61.27  
Telefax: 58-212-707.63.52  
E-mail: armando.rondon@sivensa.com



FOR IMMEDIATE RELEASE:

## **IBH REPORTS SECOND FISCAL QUARTER RESULTS**

Caracas, April 30, 2002...International Briquettes Holding, IBH, a Sivensa subsidiary consolidates Venprecar's financial results and reports its participation in three partnerships with BHP Billiton: the Orinoco Iron and Operaciones RDI plants, and Brifer, which holds the intellectual rights over the FINMET<sup>®</sup> technology

In the January-March 2002 period, IBH reported sales of US\$ 10 million, as compared to sales of US\$ 13 million recorded in the same period of the preceding year. US\$ 4.7 million were reported as operating loss versus a US\$ 5.3 million loss in the January-March 2001 period. These operating results are mostly caused by Venprecar.

IBH's participation in Orinoco Iron, Operaciones RDI and Brifer's results is reflected under *Equity Participation in Affiliates*. In this line, IBH's financial statements show a US\$ 7.8 million loss in the January-March quarter, as compared to losses of US\$ 17 million recorded in the same period of the previous fiscal year. The decrease in this entry is chiefly due to the exchange profit obtained by the affiliate Orinoco Iron as a result of the free floating system for the bolivar adopted in February.

IBH's net loss in the quarter was US\$ 13 million, compared to US\$ 22.8 million in identical period of fiscal 2001.

### **Venprecar**

Venprecar's production in the quarter was 142,457 MT as compared to 144,831 MT in the same period of fiscal year 2001. During the quarter, operations were negatively affected by the quality problems of the pellets supplied. This aspect was solved in a joint effort with the supplier. Similarly, there were failures in the process gas pre-heater. As mentioned at the close of the former fiscal year, the Venprecar plant requires investments in some components of the gas reformer. The company will be able to execute these investments only when Venprecar's financial situation becomes stable.

Selling prices for briquettes traded during the October-December quarter and effective in the January-March quarter, showed the negative impact of the events of September 11, dropping to the lowest price levels in the history of Venprecar. Starting in February prices for metallics experienced a slight recovery. The positive effects will be reflected in Venprecar's April-June quarter shipments.

### **Orinoco Iron**

Production volume reached by the Orinoco Iron plant in the second quarter of the fiscal year was 129,477 MT, as compared to 79,995 MT in the same period of the prior year. It is worth remembering that Module 2's production trains are temporarily not in operation,

as was announced in the year-end report of fiscal 2001. The prices for Orinoco Iron's briquettes are stable due to the long-term contracts with its clients.

As informed in last quarter's report, the carbonate re-boilers of the production trains of Module 1 had presented failures and the manufacturer had been requested to substitute them. During the quarter in report, the re-boilers of this module were replaced, still pending the ones for Module 2.

During the quarter, talks with the banks, BHP Billiton and the suppliers continued with the purpose of restructuring Orinoco Iron's debt, which reaches US\$ 677 million. Similarly, actions directed to possibly incorporating a new shareholder to Orinoco Iron were advanced.

### **Operaciones RDI**

Since March 2001, the Operaciones RDI plant has been closed owing to maintenance requirements and to unfavorable market conditions. Reestablishing its operations is not considered in the near future.

### **Appointment**

In the month of February, IBH's Board of Directors designated Mr. Neil Malloy as Chief Executive Officer of IBH. Neil Malloy has a 25-year professional career in different areas of Sivena. His most recent position was Corporate General Director of Sivena.

International Briquettes Holding, IBH (Nasdaq: IBHVF) a Sivena subsidiary, consolidates Venprecar's financial results and has three partnerships with BHP Billiton: the Orinoco Iron and Operaciones RDI plants; and Brifer, which holds the intellectual rights over the FINMET® direct reduction technology

International Briquettes Holding and its Subsidiaries  
Subsidiary of Siderúrgica Venezolana "SIVENSA", S.A.  
US GAAP Financial Statements  
Consolidated Balance Sheet  
In thousands of US \$

<b>ASSETS</b>	<b>March 31,</b>	
	<b>2002</b>	<b>2001</b>
<b>Current Assets:</b>		
Cash and Temporary Investments	4,292	5,875
Accounts receivable:		
Third parties	5,253	7,705
Related Companies	9,773	1,709
Inventories	9,906	11,214
Prepaid expenses		<u>925</u>
	<u>745</u>	
<b>TOTAL CURRENT ASSETS</b>	<b>29,969</b>	<b>27,428</b>
Property, plant and equipment, net	99,571	109,179
Investments	32,811	83,540
Deferred charges and other assets		
	<u>2,713</u>	<u>6,570</u>
<b>TOTAL ASSETS</b>	<b>165,064</b>	<b>226,717</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Commercial accounts payable		
Suppliers	3,821	6,087
Related Companies	29,513	19,105
Personnel accruals	712	852
Taxes	16	56
Other current liabilities		
	<u>240</u>	<u>454</u>
<b>TOTAL CURRENT LIABILITIES</b>	<b>34,302</b>	<b>26,554</b>
Accrued employee termination benefits		
	<u>896</u>	<u>1,032</u>
<b>TOTAL LIABILITIES</b>	<b>35,198</b>	<b>27,586</b>
Minority interests	2,825	3,022
Shareholders' equity		
	<u>127,041</u>	<u>196,109</u>
<b><u>TOTAL LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY</u></b>	<b><u>165,064</u></b>	<b><u>226,717</u></b>

**International Briquettes Holding and its Subsidiaries**  
**Subsidiary of Siderúrgica Venezolana "SIVENSA", S.A.**  
**US GAAP Financial Statements**  
**Consolidated Income Statement**  
**In thousands of US \$**

	<b>Quarters ended</b>	
	<b>March 31, 2002</b>	<b>March 31, 2001</b>
Net sales	10,493	13,133
Cost of sales	<u>(14,200)</u>	<u>(17,061)</u>
<b>Gross profit (loss)</b>	<b>(3,707)</b>	<b>(3,928)</b>
Administrative expenses	<u>(1,037)</u>	<u>(1,335)</u>
<b>Operating loss</b>	<b><u>(4,743)</u></b>	<b><u>(5,263)</u></b>
Interest income	64	3,173
Interest expenses	(222)	(3,652)
Equity participation in affiliates	(7,780)	(17,232)
Foreign exchange gain (loss), net	(673)	163
Other income (expense) net	<u>254</u>	<u>54</u>
	<u>(8,356)</u>	<u>(17,494)</u>
<b>Loss before taxes and minority interests</b>	<b><u>(13,100)</u></b>	<b><u>(22,757)</u></b>
Estimated Taxes	<u>(16)</u>	<u>(38)</u>
<b>Loss before minority interests</b>	<b>(13,116)</b>	<b>(22,795)</b>
Minority interests in subsidiaries	<u>59</u>	<u>61</u>
<b>Net loss</b>	<b><u>(13,057)</u></b>	<b><u>(22,734)</u></b>

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**US GAAP Financial Statements**  
**Consolidated Income Statements**  
**In thousands of US \$**

	<b>Six months ended</b>	
	<b>March 31, 2002</b>	<b>March 31, 2001</b>
Net sales	24,007	26,191
Cost of sales	<u>(30,704)</u>	<u>(31,471)</u>
<b>Gross profit (loss)</b>	<b>(6,697)</b>	<b>(5,280)</b>
Administrative expenses	<u>(2,217)</u>	<u>(2,483)</u>
<b>Operating loss</b>	<b>(8,914)</b>	<b>(7,763)</b>
Interest income	98	6,667
Interest expense	(491)	(5,242)
Equity participation in affiliates	(21,426)	(30,094)
Foreign exchange gain (loss) net	(535)	420
Other income (expense) net	<u>225</u>	<u>(267)</u>
	<b>(22,129)</b>	<b>(28,516)</b>
<b>Loss before taxes and minority interests</b>	<b>(31,043)</b>	<b>(36,279)</b>
Estimated Taxes	<u>(16)</u>	<u>( 64)</u>
<b>Loss before minority interest</b>	<b>(31,059)</b>	<b>(36,343)</b>
Minority interests in subsidiaries	<u>104</u>	<u>56</u>
<b>Net Loss</b>	<b>(30,955)</b>	<b>(36,287)</b>