

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, 2003...International Briquettes Holding, IBH, a Sivensa subsidiary, reported sales of US\$ 2.1 million in the January-March 2003 period, as compared to sales of US\$ 10.4 million recorded in the same 2002 period. The operating loss reported was US\$ 1.8 million and the net loss, US\$ 1.6 million, as compared to losses of US\$ 4.7 and US\$ 13.0 million respectively, recorded in the equivalent quarter of the preceding accounting period.

Venprecar's production in the quarter was 5,243 MT, as compared to 142,457 MT in the same 2002 accounting period. The reduced production volume in the quarter was due, during the month of January and the first two weeks of February, to the lack of gas supply caused by the national civic strike, and since February 15 forward, to the programmed shutdown to replace some components of the gas reformer and the heat recuperator. The shutdown, executed in the estimated time and cost, will enable the plant to re-establish the 815.000 MT/year nominal capacity. On March 29, after completing the repair and equipment replacement works, operations began, confronting some difficulties associated with the adjustment of the equipment and the quality of the pellets, which were solved afterwards.

The reference price for the briquette discharged on barge in the Gulf (New Orleans, United States of America) reached US\$ 135.0/MT, in comparison with US\$ 113.3/MT in the previous quarter and with US\$ 94.3/MT in identical period of fiscal 2002¹. This significant rise was due to an increase in the world demand for briquettes, combined with the low availability of metallics (pig iron and scrap) in the United States and in the Community of Independent Countries, as well as the temporary reduction in the production of briquettes in Venezuela (main international supplier of this product).

¹ Source: Averages calculated by Orinoco Iron from monthly data published by CRU Monitor/ Steel Metallics, scrap, DRI and pig iron. Due to contractual conditions, the market price variations are reflected behind in our results.

In the January-March 2003 period, no loss is reported in the Equity Participation in Affiliates account, because IBH decided, as of September 30, 2002, to provision the book value of its investment in the Orinoco Iron, Operaciones RDI and Brifer affiliates.

During the quarter, a US\$ 0.8 million interest expense was incurred, in contrast with US\$ 0.2 million in the January-March 2002 period. This variation was caused by greater interest rates and indebtedness with the main supplier of raw material.

Relative to the exchange gain of US\$ 0.6 million recorded in the January-March 2003 period, such gain was generated by the effect of the bolivar devaluation experienced in the quarter, on the bolivar denominated monetary liabilities, when the exchange rate increased from Bs. 1,403.0 per dollar on December 31, 2002, to Bs. 1,600.0 per dollar on March 31, 2003².

ORINOCO IRON PLANT

The Orinoco Iron plant produced 161,236 MT in the January-March 2003 period, as compared to 129,477 MT in the same quarter of the preceding fiscal period. Due to the restrictions in the gas supply mentioned before, and to the shutdowns for programmed maintenance, the number of effective operating days was 41 days for one train and 67 for the other.

WITHDRAWAL OF IBH QUOTATION FROM NASDAQ

As agreed in the Annual Shareholder's Meeting, the quotation of IBH shares was withdrawn from Nasdaq since February 18. The company's shares continue to be quoted in the Caracas Stock Exchange.

ORINOCO IRON'S DEBT RESTRUCTURING

Orinoco Iron is currently negotiating with the creditor banks and with BHP the basis to start the restructuring of the remainder balance of its debt, not being able to anticipate the possible outcome of this negotiation.

EXCHANGE CONTROL IN VENEZUELA

As a relevant and regulatory aspect of the economic setting, it is necessary to mention that on February 5 the Government announced the establishment of an exchange control, with a unique exchange rate and administrative procedures that determine the foreign currency movement in the country. Rulings 17 and 18 were published at the end of March, which establish the requirements, controls and steps for the administration of foreign currency corresponding to exports. These rulings introduce important modifications in the mechanisms that determine the commercial relations with our clients abroad.

² Source: Banco Central de Venezuela.

International Briquettes Holding, IBH 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[®] technology.

**INTERNATIONAL BRIQUETTES HOLDING
AND ITS AFFILIATES**

CONSOLIDATED BALANCE SHEET

(Thousands of US dollars according to US GAAP)

	March 31,	
	2003	2002
Assets		
Current Assets		
Cash and cash equivalents	5,339	4,292
Accounts receivable:		
Trade and other	2,664	5,253
Related companies	1,189	9,773
Inventories	6,047	9,906
Prepaid expenses and other assets	3,870	745
	<hr/>	<hr/>
Total current assets	19,109	29,969
Investments under the equity method	-	32,811
Property, plant and equipment, net	92,682	99,571
Spare parts and other assets	7,307	2,713
	<hr/>	<hr/>
Total Assets	119,098	165,064
 Liabilities and shareholders equity		
Current Liabilities		
Accounts payable:		
Suppliers	5,606	3,821
Related companies	24,604	29,513
Profit sharing, vacation and other personnel accruals	540	712
Taxes	27	16
Other current liabilities	492	240
	<hr/>	<hr/>
Total Current Liabilities	31,269	34,302
Accrual for employee termination benefits, net of advances	666	896
Total liabilities	31,936	35,198
Minority interests	2,948	2,825
Shareholders' equity	84,214	127,041
	<hr/>	<hr/>
Total liabilities, minority interests and shareholders' equity	119,098	165,064

**INTERNATIONAL BRIQUETTES HOLDING
AND ITS AFFILIATES**

CONSOLIDATED STATEMENT OF OPERATIONS
(Thousands of US dollars according to US GAAP)

	Quarters ended March 31,	
	2003	2002
Net sales:		
Exports	1,814	10,418
Domestic	313	75
	2,127	10,493
Cost of Sales	(3,199)	(14,200)
Gross Profit (loss)	(1,072)	(3,707)
General and administrative expenses	(712)	(1,037)
Operating loss	(1,784)	(4,743)
Interest income	9	64
Interest expense	(823)	(222)
Equity in results of affiliates	-	(7,780)
Exchange gain (loss)	640	(673)
Other income (expense) net	382	254
	208	(8,356)
Loss before taxes and minority interests	(1,576)	(13,100)
Taxes	(27)	(16)
Loss before minority interests	(1,603)	(13,116)
Minority interests	(17)	59
Net loss	(1,621)	(13,057)

**INTERNATIONAL BRIQUETTES HOLDING
AND ITS AFFILIATES**

CONSOLIDATED STATEMENT OF RESULTS
(Thousands of US dollars according to US GAAP)

	Six months ended March 31,	
	2003	2002
Net sales:		
Exports	11,380	23,426
Domestic	4,867	581
	<u>16,247</u>	<u>24,007</u>
Cost of Sales	<u>(16,567)</u>	<u>(30,704)</u>
Gross Profit (loss)	(320)	(6,697)
General and administrative expenses	<u>(1,611)</u>	<u>(2,217)</u>
Operating loss	<u>(1,931)</u>	<u>(8,914)</u>
Interest income	41	98
Interest expense	(2,839)	(491)
Equity in results of affiliates	-	(21,426)
Exchange gain (loss)	(450)	(535)
Other income (expense) net	480	225
	<u>(2,768)</u>	<u>(22,129)</u>
Loss before taxes and minority interests	(4,699)	(31,043)
Taxes	<u>(27)</u>	<u>(16)</u>
Loss before minority interests	(4,726)	(31,059)
Minority interests	<u>(16)</u>	<u>104</u>
Net loss	<u>(4,741)</u>	<u>(30,955)</u>