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IBH ANNOUNCES RESULTS FOR FIRST QUARTER FISCAL 2004

Caracas, January 30, 2004. International Briquettes Holding, IBH, subsidiary company of Sivensa, reported sales of US\$ 26.2 million in the October-December 2003 period, compared with US\$ 14.1 million in the same period of 2002. The company reported an operating profit of US\$ 5.4 million which contrasts with an operating loss of US\$ 0.1 million in the October-December 2002 period. Net profit was US\$ 4.8 million, compared with a net loss of US\$ 3.1 million in the first quarter of last fiscal year.

In the quarter, Venprecar produced 197,951 MT, compared with 141,401 MT in the same period of the previous fiscal year, when operations were affected by failures in gas supplies.

From mid-December until mid-January, the production of the Venprecar plant was affected by channelings in the reactor. The causes of the event were determined on the basis of evaluations made by plant management, jointly with experts from Midrex Corporation. To normalize the operations, the reactor refractories were repaired, and the convenience of making changes in the gas flow insert aid device to prevent future channeling is currently under analysis.

Venprecar's sales totaled US\$ 26.2 million, 89% above sales in October-December 2002 period. The operating profit was US\$ 5.6 million and net profit US\$ 7.1 million.

Briquette prices on international markets rose substantially in the period. The price of briquettes on-barge, Port of New Orleans, United States, averaged US\$ 174.7/MT in the October-December 2003 quarter, compared with US\$ 113.3/MT in the same period of the year before¹. The higher prices were caused by stronger demand for metallics in Asia, particularly China, and the shortage of scrap on the US, European and Asian markets.

Orinoco Iron

The Orinoco Iron plant produced 174,890 MT in the October-December 2003 period, compared

¹ Average calculations by Orinoco Iron based on monthly data published by the CRU-Monitor / Steel, metallics, scrap, DRI & pig iron.

with 142,534 MT in the same period of previous year when the plant was affected by interruptions in gas supplies.

However, production in the quarter was below the expected volume due to the short duration of the campaigns of trains 1 and 2. Since mid-January, trains 1, 2 and 3 have been operating simultaneously and continuously. As mentioned in the Board of Directors' report published at the end of fiscal 2003, actions are being taken to start operations of train 4 of the Orinoco Iron plant in the second half of this accounting period.

Orinoco Iron reported sales in the quarter of US\$ 24.7 million, an increase of 87% from the same quarter of the previous year. The operating loss was US\$ 3.6 million and the net loss US\$ 15.8 million.

Appointment

Neil Malloy, who since 2000 has held the post of executive president of IBH, will also assume, from February 1 this year, the positions of executive president of Orinoco Iron, and general director of Venprecar. He has held various management posts in Sivensa companies since 1977, and was responsible for the design of the financing schemes for the direct-reduction projects. Alberto Hassan expressed his wish to leave the posts of executive president of Orinoco Iron and general director of Venprecar from February 1 this year. Starting in 1980, Alberto Hassan has had a long career in IBH. He made an important contribution to the operation of the Fior plant, the construction and successful start-up of the Venprecar plant, and the construction and operation of the Orinoco Iron plant.

Restructuring of the Orinoco Iron debt and other financial aspects of IBH

In 1997, IBH and its subsidiary Venprecar issued guarantees in favor of the creditor financial institutions of Orinoco Iron related to a loan that the latter company received to finance its industrial facilities. This loan is in process of restructuring. The conditions associated with this contingent liability of IBH, explained at length in the Board of Directors' report to the Shareholders' General Meeting and in the opinion and notes to the IBH Financial Statements of September 30, 2003 (see www.ibh.com.ve), as well as other aspects related to the performance of IBH, its subsidiary Venprecar and the affiliate Orinoco Iron, remain at the date of this report and are an essential part of the analysis of the company's financial situation.

International Briquettes Holding, IBH, consolidates the financial results of Venprecar and has a 50/50 association with BHP Billiton, which includes the Orinoco Iron and Operaciones RDI plants, and Brifer which holds the intellectual property rights of the FINMET[®] technology.

INTERNATIONAL BRIQUETTES HOLDING
AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

(Thousands of US dollars)
According to US GAAP

	2003	December 31, 2002
<u>Assets:</u>		
Current assets		
Cash and cash equivalents	6,779	6,552
Accounts receivable		
Customers and others	30,663	5,929
Related companies	5,308	916
Inventories	4,794	7,181
Prepaid expenses and other assets	1,828	5,871
	49,372	26,450
Total current assets		
Property, plant and equipment, net	89,866	90,750
Spare parts and other assets	1,623	1,654
	140,861	118,855
	140,861	118,855
<u>Liabilities and shareholders' equity</u>		
Current liabilities		
Accounts payable		
Suppliers	8,094	3,676
Related Companies	27,590	24,999
Profit sharing, vacation and other personnel accruals	540	376
Taxes	-	-
Other current liabilities	3,141	372
	39,365	29,424
Total current liabilities		
Personnel termination benefits, net of advances	856	664
	40,221	30,088
Total liabilities		
Minority Interest	3,263	2,931
Shareholders' equity	97,377	85,837
	140,861	118,855
Total liabilities, minority interest and shareholders' equity		

INTERNATIONAL BRIQUETTES HOLDING
AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF OPERATIONS

(Thousands of US dollars)
According to US GAAP

	Quarter ended December 31,	
	<u>2003</u>	<u>2002</u>
Net sales:		
Exports	25,974	9,567
Local	273	4,554
	26,247	14,120
Cost of sales	(19,891)	(13,368)
Gross income (loss)	6,356	752
General, administrative expenses	(950)	(899)
Operating income (loss)	5,406	(147)
Interest income	35	32
Interest expense	(865)	(2,016)
Exchange gain (expense)	-	(1,090)
Other income (expenses) net	387	99
	(443)	(2,976)
Profit (loss) before minority interest	4,963	(3,122)
Minority interest	(116)	2
Net profit (loss)	4,847	(3,121)