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FOR IMMEDIATE RELEASE:

IBH REPORTS THIRD FISCAL QUARTER RESULTS

Caracas, July 30, 2003...International Briquettes Holding, IBH, a Sivensa subsidiary, reported sales of US\$ 20.5 million in the April-June 2003 period, as compared to sales of US\$ 15.5 million recorded in the same 2002 period. A US\$ 2.8 million operating profit was recorded in contrast to the operating loss of US\$ 4.9 million in the comparable period. The net profit was US\$ 3.7 million versus US\$ 9.3 million in the April-June 2002 quarter, when a US\$ 11.6 million exchange gain was included.

Venprecar's production in the quarter was 199,550 MT in comparison with 119,399 MT in the identical 2002 accounting period. Production of the quarter shows the plant's satisfactory operating conditions as a result of changing some components of the gas reformer and heat recuperators during the March shutdown, as informed in the quarterly report corresponding to the January-March period.

In the quarter, the average reference price for hot briquetted iron (HBI) discharged on barge in the US Gulf (New Orleans) was US\$ 152.3/MT, compared to US\$ 135.0/MT in the previous quarter (January-March) and US\$ 104.3/MT in identical period of fiscal 2002¹. The average price of the quarter is the result of several factors: high demand in the international market, limited high quality scrap and pig iron inventory in the European and Asian countries and low availability of briquettes, among them.

ORINOCO IRON PLANT

The Orinoco Iron plant produced 194,759 MT in the April-June 2003 period, as compared to 149,115 MT in the same fiscal period of the preceding year.

According to the plans, the company is carrying out actions to restart production of trains 3 and 4

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.

of the Orinoco Iron plant in the coming October-December period, subject to the availability of foreign exchange for equipment and spares. Operations in these trains were suspended in October 2001, after its initial test, due to market and financial reasons.

GAS SUPPLY FOR THE ORINOCO IRON AND VENPRECAR PLANTS

Due to restrictions, during the April-June quarter the Venprecar and Orinoco Iron plants received approximately 80% of the natural gas required for its operations. PDVSA Gas is carrying out its best efforts to restore the normal supply levels of this input. However, it is not possible to guarantee that Venprecar and Orinoco Iron's production will not be affected in the future by the curtailment of gas supply.

COMMISSION TO RESTRUCTURE ORINOCO IRON'S DEBT

The first week of June, IBH, Orinoco Iron's creditor banks and the Corporación Venezolana de Guayana (CVG), set up a team to study alternatives and to define the terms of the restructure of the bank loans to guarantee Orinoco Iron operating capacity in the long run. Given the initial phase of the process, no results can be yet anticipated.

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 SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

(Thousands of US dollars according to US GAAP)

| | <u>2003</u> | <u>June 30,</u> <u>2002</u> |
|--|-------------|--------------------------------|
| Assets | | |
| Current Assets | | |
| Cash and cash equivalents | 14,089 | 2,936 |
| Accounts receivable: | | |
| Trade and other | 9,500 | 5,675 |
| Related companies | 726 | 10,734 |
| Inventories | 7,043 | 5,032 |
| Prepaid expenses and other assets | 2,299 | 2,071 |
| | <hr/> | <hr/> |
| Total current assets | 33,657 | 26,450 |
| Investments under the equity method | - | 37,269 |
| Property, plant and equipment, net | 95,454 | 97,729 |
| Spare parts and other assets | 2,940 | 3,120 |
| | <hr/> | <hr/> |
| Total Assets | 132,051 | 164,567 |
| | <hr/> <hr/> | <hr/> <hr/> |
| Liabilities and shareholders equity | | |
| Current Liabilities | | |
| Accounts payable: | | |
| Suppliers | 8,282 | 2,370 |
| Related companies | 30,609 | 21,931 |
| Profit sharing, vacation and other personnel accruals | 707 | 620 |
| Taxes | 68 | 16 |
| Other current liabilities | 736 | 233 |
| | <hr/> | <hr/> |
| Total Current Liabilities | 40,402 | 25,171 |
| Accrual for employee termination benefits, net of advances | 726 | 629 |
| | <hr/> | <hr/> |
| Total liabilities | 41,128 | 25,800 |
| Minority interests | 3,046 | 2,925 |
| Shareholders' equity | 87,877 | 135,843 |
| | <hr/> | <hr/> |
| Total liabilities, minority interests and shareholders' equity | 132,051 | 164,567 |
| | <hr/> <hr/> | <hr/> <hr/> |

**INTERNATIONAL BRIQUETTES HOLDING
AND ITS SUBSIDIARIES**

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

| | 2003 | Quarter ended June 30, 2002 |
|---|----------|-----------------------------------|
| Net sales: | | |
| Exports | 16,900 | 15,324 |
| Domestic | 3,570 | 194 |
| | 20,470 | 15,518 |
| Cost of Sales | (16,725) | (19,381) |
| Gross Profit (loss) | 3,745 | (3,863) |
| General and administrative expenses | (935) | (1,002) |
| Operating (income) loss | 2,810 | (4,865) |
| Interest income | 14 | 120 |
| Interest expense | (807) | (2,446) |
| Equity in results of affiliates | - | 4,634 |
| Exchange gain (loss) | (218) | 11,641 |
| Other income (expense) net | 2,006 | 285 |
| | 995 | 14,234 |
| Profit (loss) before taxes and minority interests | 3,805 | 9,369 |
| Taxes | (41) | (6) |
| Profit (loss) before minority interests | 3,764 | 9,363 |
| Minority interests | (97) | (99) |
| Net profit (loss) | 3,666 | 9,264 |

**INTERNATIONAL BRIQUETTES HOLDING
AND ITS SUBSIDIARIES**

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

| | Nine months ended June 30, | |
|---|-------------------------------|--------------|
| | 2003 | 2002 |
| Net sales: | | |
| Exports | 28,280 | 38,750 |
| Domestic | 8,437 | 775 |
| | 36,717 | 39,525 |
| Cost of Sales | (33,292) | (50,085) |
| Gross Profit (loss) | 3,425 | (10,560) |
| General and administrative expenses | (2,546) | (3,219) |
| Operating income (loss) | 879 | (13,779) |
| Interest income | 55 | 218 |
| Interest expense | (3,646) | (2,937) |
| Equity in results of affiliates | - | (16,792) |
| Exchange gain (loss) | (668) | 11,106 |
| Other income (expense) net | 2,486 | 510 |
| | (1,773) | (7,895) |
| Profit (loss) before taxes and minority interests | (894) | (21,674) |
| Taxes | (68) | (22) |
| Profit (loss) before minority interests | (962) | (21,696) |
| Minority interests | (113) | 5 |
| Net profit (loss) | (1,075) | (21,691) |