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## **IBH REPORTS THIRD FISCAL QUARTER 2001 RESULTS**

Caracas, July 30, 2001...International Briquettes Holding, IBH, a company engaged in the production and sale of iron ore briquettes, reported sales of US\$ 17 million for the April-June 2001 period, as compared to US\$ 30 million in the same quarter of last year. The company reported an operating loss of US\$ 4.7 million vs an operating income of US\$ 2 million in the same period of the previous year. These results are a reflection of the low international prices and sales volume for the Venprecar briquettes. Additionally, IBH was affected by the interest payments of Orinoco Iron, and as a result had a US\$ 17 million net loss, as compared to US\$ 3 million net profit of the same period last year.

The Venprecar plant produced 192,455 MT of briquettes vs 218,916 MT in the April-June 2000 period. This lower production was due to the fact that the plant has worked at approximately 90% of its daily capacity owing to the decision of operating it at lower physical requirements in order to extend the useful life of the gas reformer's catalytic tubes. This equipment has been operating for 10 years, period after which it must be replaced. Once the briquette price conditions and IBH's financial situation have improved, such investment will be made.

As informed last April, the lenders to our affiliate, Orinoco Iron, accelerated the maturity of principal and interest outstanding under Orinoco Iron's bank credit facility (approximately US\$ 623.4 million) and made demand on the guarantors, including Venprecar, an IBH subsidiary. During the following months and to the date of this report, the shareholders and the banks have continued negotiating a possible restructuring of Orinoco Iron's debt.

In July, due to lower operations of several competitors and to less availability of high quality scrap, an improvement of approximately 10% was realized in the briquette prices negotiated for the July and August shipments. Even though this price increase will somewhat alleviate the financial situation, we cannot guarantee that this represents a trend. The feasibility of IBH's business will depend on the attainment of additional funds necessary to continue Orinoco Iron's operations.

### Orinoco Iron Plant

Train N° 3 of the Orinoco Iron plant ended a 78 effective-day run during which time it had an average production of 89% with respect to the design capacity. When train 3 began its maintenance shutdown, train N° 2 started to operate. To date, it has successfully achieved a 47-day run with an effective average production of 94% with respect to the design capacity. The production of both trains has complied with the specified quality standards. Even though the four production trains have performed their operating tests and the required process adjustments have been made, currently only one of the four trains is operating due to the briquette price conditions and to the lack of financial resources.

### **IBH's Listing in Nasdaq**

As was previously reported, on July 26, IBH filed a listing application for the transfer of its shares to The NASDAQ Small Cap Market. The company has been advised that it complies with the qualification requirements for foreign securities for continued inclusion in The NASDAQ Small Cap Market as provided in the NASDAQ Marketplace Rules 4320. The NASDAQ Small Cap Market would allow the company's shares to continue to trade in NASDAQ. The Small Cap Market continued listing standard is less stringent, yet the company's ability to issue new capital in the United States may be limited.

On July 20, 2001, IBH received a communication from Nasdaq, which indicated that the company had failed to comply with the minimum market value of public float and minimum bid price requirements for continued listing in Nasdaq. As a consequence, according to such communication, its securities were subject to delisting from The Nasdaq National Market. On July 25, IBH requested a hearing before a Nasdaq Listing Qualifications Panel to review the staff determination received.

If Nasdaq grants the company's request for inclusion in The NASDAQ Small Cap Market, the appeal process that began on July 25 before the Nasdaq Listing Qualifications Panel may be discontinued. There can be no assurance that NASDAQ will grant the company's request for inclusion neither in The NASDAQ Small Cap Market nor of the outcome of the appeal process.

IBH shares continue listed in the Bolsa de Valores de Caracas, and while the case follows its course, they also continue to be listed in the Nasdaq National Market.

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*This press release contains statements about future events and financial results that are forward-looking and subject to substantial risks and uncertainties. Actual results could differ materially from those indicated in such forward-looking statements. Factors which may cause actual results to differ materially from those discussed include economic considerations that could affect demand for hot briquetted iron (HBI), competition, general economic conditions in Venezuela and in the global steel industry, the availability and terms of financing and the risk factors set forth in IBH's various filings with the U.S. Securities and Exchange Commission and the Comisión Nacional de Valores of Venezuela. IBH undertakes no obligation to revise these forward-looking statements to reflect events or circumstances after the date hereof, and claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.*

**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>2001</b>	<b>June 30, 2000</b>
<b>Current Assets:</b>		
Cash and Temporary Investments	8,526	6,476
Commercial accounts receivable		
Third parties	4,228	14,430
Related Companies	1,559	2,036
Accounts receivable draw back and return of I.C.S.V.M.	2,231	3,096
Other accounts receivable		
Employees	109	108
Related companies	803	26,278
Other	1,174	227
Inventories	9,612	9,243
Prepaid expenses	812	713
<b>TOTAL CURRENT ASSETS</b>	<b><u>29,054</u></b>	<b><u>62,607</u></b>
Property, plant and equipment, net	106,562	116,511
Long term accounts receivable	0	26,389
Investments	70,651	74,892
Deferred charges and other assets	5,741	6,228
<b>TOTAL ASSETS</b>	<b><u>212,008</u></b>	<b><u>286,627</u></b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Commercial accounts payable		
Suppliers	23,382	23,158
Related Companies	99	425
Other Related Companies Accounts payable	3,185	875
Personnel accruals	1,001	1,129
Taxes	85	801
Other current liabilities	1,070	316
<b>TOTAL CURRENT LIABILITIES</b>	<b><u>28,822</u></b>	<b><u>26,704</u></b>
Accrued employee termination benefits	941	801
Deferred credits	0	5,754
<b>TOTAL LIABILITIES</b>	<b><u>29,763</u></b>	<b><u>33,259</u></b>
Minority interests	2,993	3,059
Shareholders' equity	179,252	250,309
<b>TOTAL LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY</b>	<b><u>212,008</u></b>	<b><u>286,627</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 \$**

	Quarters ended	
	June 30, 2001	June 30, 2000
Net sales	17,003	29,552
Cost of sales	<u>19,796</u>	<u>25,997</u>
<b>Gross profit (loss)</b>	<b>(2,793)</b>	<b>3,555</b>
Administrative expenses	<u>1,928</u>	<u>1,554</u>
<b>Operating profit (loss)</b>	<b><u>(4,721)</u></b>	<b><u>2,001</u></b>
Foreign exchange gain (loss), net	409	186
Interests income, net	(376)	2,205
Other income (expense), net	630	(38)
Equity participation in affiliates	<u>(12,800)</u>	<u>(1,156)</u>
	<u>(12,137)</u>	<u>1,197</u>
<b>Profit (loss) before taxes and minority interests</b>	<b>(16,858)</b>	<b>3,198</b>
Estimated Taxes	<u>(29)</u>	<u>(269)</u>
<b>Profit (loss) before minority interests</b>	<b>(16,887)</b>	<b>2,929</b>
Minority interests in subsidiaries	<u>30</u>	<u>(62)</u>
<b>Net profit (loss)</b>	<b><u>(16,857)</u></b>	<b><u>2,867</u></b>

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

	<b>Nine months ended</b>	
	<b>June 30, 2001</b>	<b>June 30, 2000</b>
Net sales	43,194	65,758
Cost of sales	<u>51,267</u>	<u>61,587</u>
<b>Gross profit (loss)</b>	<b>(8,073)</b>	<b>4,171</b>
Administrative expenses	<u>4,411</u>	<u>4,728</u>
<b>Operating loss</b>	<b><u>(12,484)</u></b>	<b><u>(557)</u></b>
Foreign exchange gain (loss), net	829	387
Interests income, net	1,049	6,282
Other income (expense), net	363	(579)
Equity participation in affiliates	<u>(42,894)</u>	<u>(6,413)</u>
	(40,653)	(323)
<b>Loss before taxes and minority interests</b>	<b>(53,137)</b>	<b>(880)</b>
Estimated Taxes	<u>(93)</u>	<u>(828)</u>
<b>Loss before minority interest</b>	<b>(53,230)</b>	<b>(1,708)</b>
Minority interests in subsidiaries	<u>86</u>	<u>(59)</u>
<b>Net Loss</b>	<b><u><u>(53,144)</u></u></b>	<b><u><u>(1,767)</u></u></b>