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FOR IMMEDIATE DISTRIBUTION

SIVENSA REPORTS RESULTS FOR THE THIRD QUARTER OF THE FISCAL YEAR

CARACAS, JULY 30, 2010.

In the third quarter of the fiscal year that ended on June 30, 2010, Sivensa reported consolidated sales for Bs. 372.7 million. This figure is Bs.118.5 million lower than the sales recorded for the same quarter of the prior fiscal year. Sivensa had an operating loss of Bs. 3.8 million, compared to Bs. 209.1 million in operating profits during the April-June 2009 period. The net loss for the quarter was Bs. 88.9 million, compared to the profit of Bs. 128.3 million during the same period of the preceding year.

The financial statements that are enclosed and reviewed in this Report have been prepared in bolivares and adjusted for inflation at June 30, 2010, in accordance with the Guidelines for the Preparation of Financial Statements for Financial Statements for Entities Subject to the Control of the National Securities Commission (CNV)¹. The adjustment factor used is the inflation rate reported by Banco Central de Venezuela for the Metropolitan Area of Caracas, which was 9.6% for the three-month period that ended on June 30, 2010; 23.0% for the nine-month period that ended on June 30, 2010, and 31.8% for the twelve-month period that ended on June 30, 2010.

On January 8, 2010, through Exchange Rate Agreement No. 14, the National Executive Government reached an agreement with Banco Central de Venezuela regarding a change in the national exchange rate regime, going from a single official fixed exchange rate of 2.15 bolivares per US dollar to a differential exchange rate control regime that established two rates:

¹ As reported on April 30, 2010, due to fact that under the International Financial Reporting Standards (IFRS), Sider, the main subsidiary of Sivensa, uses the bolivar as its operating currency, Siderúrgica Venezolana "Sivensa" decided to report and submit its Quarterly Reports, from now on, only in bolivares, based on the Guidelines for the Preparation of Financial Statements for Entities Subject to the Control of the National Securities Commission (CNV), as mandated by said organ (hereinafter the "Guidelines for the Preparation of Financial Statements"). Previously, Quarterly Reports referred to results translated to U.S. dollars, except mainly because the U.S. dollar was assumed as the operating currency for all Company subsidiaries. Results in bolivares for the quarters ended June 30, 2010 and June 30, 2009 to which this Report refers, were adjusted for inflation at June 30, 2010.

a rate of 2.6 bolivares per US dollar, and a rate of 4.30 bolivares per US dollar, applicable to foreign currency purchase transactions according to the sectors specified in the above mentioned Exchange Rate Agreement. The foreign currency items included in the enclosed financial statements have been translated at the exchange rate of 4.30 bolivares per US dollar, which is the rate in effect since the second quarter of fiscal year 2010, except for certain items that in accordance with Exchange Rate Agreement No. 14 must be translated at the rate of 2.60 bolivares per U.S. dollar.

On June 7, 2010, Exchange Rate Agreement No.18 became effective, granting the Central Bank of Venezuela exclusivity and complete control of foreign currency purchase transactions through operations with Securities, thus limiting swap transactions. To this end, the new Transaction System for Foreign Currency Denominated Securities (SITME) was implemented. It is foreseen that the inception of this system might limit the availability of foreign currency in the future. On this date, the implicit bolivar/US dollar exchange rate resulting from transactions with these securities is 5.30.

ANALYSIS OF RESULTS FOR THIS QUARTER

Ongoing operations

Sivensa's consolidated results include primarily Sidetur's accounts and IBH's ongoing operations for the third quarter of the fiscal year that ended June 30, 2010. Sivensa's consolidated results for the same quarter of fiscal year 2009 include the results of Venprecar and Orinoco Iron, which are undergoing a nationalization process, which were reclassified for comparison purposes and are presented under the "Net loss for quarter from discontinued operations" item.

The most significant aspects of the consolidated statement results are described below:

Sales: Sivensa's sales during the quarter totaling Bs. 372.7 million were generated in their entirety by its subsidiary, Sidetur. The 118.5 million decline in Sidetur's sales in bolivares during the April-June period is due to the combined effects of the decrease in sales volume and the drop in real terms in the price of reinforcement bars, which could not be adjusted due to the regulation of the price of this product that has been in place since January 5, 2006, as jointly established by the Ministries of Light Industries and Commerce, Infrastructure, and Housing and Habitat.

In terms of volume, Sidetur's domestic sales decreased 35.2% as compared to the same period of the preceding year. This drop is primarily explained by: a) Sidetur's compliance with the Energy Savings Plan provided in Official Gazette No. 39.332, dated December 21, 2009,

established by the People's Ministry for Electric Energy, which has translated into a 21.1% drop in production and sales volume for the subsidiary; b) the fact that billet production activities have stopped at the Casima steel mill located in Puerto Ordaz since March 12, which explains the drop of approximately 14.1% in sales. In terms of volume, sales in the export market decreased by 88.7% as compared to the April-June period of the prior year, in line with the company's policy to prioritize sales that supply the domestic market.

Gross profit: The gross profit for the quarter was Bs. 34.3 million, representing a decrease of Bs. 72.5 million as compared to the profit of Bs. 106.8 million during the April-June 2009 period.

Operating profits: The operating loss for the quarter was Bs. 3.8 million, compared to the operating profit of Bs. 209.1 million for the same period of the preceding year. This Bs. 213.0 million variation compared to the same quarter of the April-June 2009 period is due to a reduction in the gross profits obtained by the Company and the drop of Bs. 129.5 million as compared to the same quarter of the prior year in the "Other operating income, net" item, primarily as a result of transactions involving securities.

Integrated financial benefit (cost): The integrated financing cost during the third quarter of the fiscal year was Bs. 92.9 million, compared to the Bs. 42.5 million recorded for the same period of the preceding year. The Bs. 50.3 million variation is primarily due to the monetary loss as a result of the impact of inflation on the company's net monetary position, to the results of treasury operations, and to the impact of translation applied to subsidiaries abroad.

Taxes: This expense decreased by Bs. 9.4 million during the quarter under analysis, going from Bs. 20.2 million during the same period of the prior year to Bs. 10.7 million. This reduction is due to the lower income tax reserve for Sidetur as a result of the decrease in its net income and the increase in the "Deferred income tax" item.

Minority interest in subsidiaries: This account reflects the 31.46% share of IBH minority shareholders in the results from ongoing operations of said subsidiary. During the quarter, said share in the results from ongoing operations is equivalent to a profit of Bs. 18.6 million, which is higher than the Bs. 805,000 recorded for the same quarter of the preceding year.

Loss from discontinued operations: This account reflects the results of the companies undergoing the nationalization process for the April-June 2009 quarter only for comparison purposes, since in the month of July 2009 Management decided that IBH would stop consolidating the results for Venprecar and Orinoco Iron. During the April-June 2010 quarter, no results are reported for this item, compared to a net loss from discontinued operations of Bs. 18.8 million recorded for the same period of the prior year, which resulted from the reduction in steel production activities worldwide that began in late 2008, causing the sale price of briquettes to be insufficient to cover manufacturing and marketing costs.

Net profit (loss) for the quarter: During the third quarter of fiscal year 2010, this result represented a loss of Bs. 88.9 million, compared to the profit of Bs. 128.3 million for the same period of fiscal year 2009. The Bs. 217.1 million variation is primarily due to the drop in operating profits and the higher integrated financing cost during the third quarter of fiscal year

2010, which are reviewed above.

RELEVANT ASPECTS IN THE STEEL SECTOR

As reported in our letter of April 30, on March 12, 2010, the representatives of one of the two labor unions that now exist at the Casima billets plant located in Puerto Ordaz, which is owned by Sidetur, stopped all activity at the plant claiming certain alleged deficiencies in industrial security and hygiene conditions. The plant remained closed during the quarter. However, on July 8, Sidetur was able to reach an agreement with the union representatives involved in the conflict and the plant initiated the maintenance, fitting and start up process required to restart production activities in order to guarantee equipment integrity. Management estimates production activities will resume during the month of August.

OTHER LINES OF BUSINESS

The slow recovery of international markets after the global economic crisis of 2009 has negatively impacted the volume of certain IBH lines of business during the third quarter of fiscal year 2010. Some major customers have postponed their purchases of machinery, equipment and certain types of supplies.

As stated in the 2009 Annual Report submitted by the Board of Directors to the Shareholders at their Meeting held on November 24, 2009, the most relevant occurrence during that fiscal year was the announcement of the nationalization of Venprecar and Orinoco Iron by the state, together with the remainder of the private companies that are part of the briquetting sector in the country, which took place on May 21, 2009. The transfer of control over the operations and management of Orinoco Iron and Venprecar to the Venezuelan government was carried out on February 5, 2010, after which date the government has been managing both companies in an exclusive manner. Nine months after the publication of the Decree mandating the nationalization of Venprecar and Orinoco Iron by the Venezuelan government in July 2009, efforts are still ongoing to arrive at an agreement concerning the appraisal, an activity to which IBH Senior Management has been dedicated.

SOCIAL RESPONSIBILITY

Consistent with the principles of solidarity and social responsibility that are part of Sivensa's foundation, during the April-June 2010 period, the Company, the FUNDAMETAL Center for Applied Knowledge, and our subsidiary, Sidetur, continued to advance a number of programs aimed at promoting a better quality of life for their employees and the community at large,

based on a long term vision that extends the impact of these programs for the benefit of future generations. The main activities undertaken during the period include the following:

Communities

Through the “Steel with Added Value” program, Sidetur supports through the sale of materials at significant discounts, the initiatives and projects of organized communities and institutions in surrounding communities to promote a better quality of life and optimum development at the local level. During the quarter, 800 families in the community of Caricuaó benefited from the program.

Education and sports

Through the “Support with Social Value” program advanced by Sidetur, the company continues to support the Mallitos Baseball School (since 1986), benefiting children from a number of communities. Similarly, through the subscription of agreements with Asociación Civil Eureka to sponsor projects aimed at promoting innovation and creativity, the program benefited 250 higher level education students at specialized institutes and public and private institutions, as well as 2,000 preschool children and 45 artisans. During the quarter, the “Value of Family Life” program was also carried out, offering workshops to foster assertive communication and promote organizational values to benefit company workers. During the quarter, the company also continued to advance the Leadership program by training 80 leaders from a number of communities in Barquisimeto and Antímáno Parish, in order to promote organization and participation in the community as one of the best ways to drive local development.

Fundamental

Apprentices from various educational programs promoted by the Fundamental Center for Applied Knowledge devoted nearly 11,800 hours to social work benefiting children and senior citizens who receive care at several institutions in Caracas, Valencia and Guayana. The institutions that benefited from the work of Fundamental apprentices during the quarter were: Liceo Bolivariano “Maestro José Emilio González Rodríguez”, Escuela Básica “Julio Garmendía” and Centro Educativo “Las Palmitas” in Valencia; Casa Hogar de Ancianos “Corazón de Jesús”, Casa Hogar “Bebé Crece”, Casa Club de la Tercera Edad and Pediátrico “Menca de Leoni” in Guayana; and Escuela Hospitalaria “J.M. de los Ríos”, Fundación Hogar “María Paéz” and Centro de Bienestar Integral “Las Acacias” in Caracas.

Siderúrgica Venezolana SIVENSA S.A. is a Venezuelan corporation comprising two business units: Sidetur, engaged mainly in the manufacture of steel products for the construction, manufacturing and infrastructure industries, and International Briquettes Holding, IBH, which following the announcement of the nationalization of its Venprecar and Orinoco Iron plants by the state, is currently engaged in the sale of various products intended for industrial sectors through its subsidiaries, including machinery, industrial parts, raw materials, and intermediate and finished products. At June 30, 2010, Sivensa employed 1,865 workers.



SIDERURGICA VENEZOLANA "SIVENSA", S.A AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
JUNE 30, 2010 AND 2009

(Thousands of Bolivars as of June 30th, 2010)

	<u>2010</u>	<u>2009</u>
Assets		
Current Assets		
Cash and cash equivalents	313.011	357.870
Marketable securities	-	114.710
Accounts receivable:		
Trade and other	228.382	364.085
Related companies	5.365	753
Advances to suppliers	88.673	99.402
Inventories	218.418	332.186
Pre-paid expenses and other current assets	23.457	43.247
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Total current assets	877.306	1.312.253
Property, plant and equipment, net	1.424.015	4.461.821
Available for sale investments		
Investments in preferred shares	47.350	62.431
Investments in companies under "nationalization"	3.117.020	-
Related companies	-	456
Deferred tax	41.610	40.943
Other non-current assets	3.148	39.229
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Total assets	5.510.449	5.917.133
Liabilities and shareholder's equity		
Current liabilities		
Short term bank loans	60.642	192.721
Current portion of bonds payable	21.500	14.174
Accounts payable		
Suppliers	113.510	293.009
Related companies and shareholders	5.771	40.616
Anticipos recibidos de proveedores	31.251	31.565
Profit sharing, vacation and other personnel accruals	45.104	83.085
Income tax	31.257	31.626
Dividend payable	9.635	12.539
Other current liabilities	58.885	69.134
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Total current liabilities	377.555	768.469
Bonds payable	356.461	242.382
Accrual for termination benefits, net of advances and loans to employees	24.821	48.583
Other long term liabilities and accruals	98.887	84.170
Deferred income tax	377.561	269.102
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Total liabilities	1.235.285	1.412.706
Minority interests in subsidiaries	898.689	1.107.861
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Equity		
Capital stock- Nominal	105.890	105.890
Inflation adjustment	1.150.083	1.150.083
Treasury stock	(15.587)	(15.587)
Share premium	134.905	134.905
Net effect of combination (merger) of subsidiaries	507.085	518.598
Result from holding nonmonetary assets	(650.708)	(976.898)
Difference between fair value and cost of shares of subsidiaries	1.583.368	1.636.973
Unappropriated earnings		
Legal reserve	125.596	125.596
Available	435.843	717.006
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Total equity	3.376.475	3.396.566
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Total liability, minority interests and equity	5.510.449	5.917.133



SIDERURGICA VENEZOLANA "SIVENSA", S.A AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF RESULTS

QUARTER ENDED JUNE, 2010 AND 2009

(Thousands of constant bolivars at June 30, 2010)

	<u>2010</u>	<u>2009*</u>
Continuing operations		
Net sales	372.715	491.260
Cost of sales	(338.416)	(384.437)
Gross income	34.299	106.823
General, administrative expenses	(44.578)	(33.545)
Other operating income, net	6.422	135.886
Income before full financing income (expense)	(3.857)	209.164
Full financing income(expense)		
Interests and other financial expense, net	(10.638)	(12.110)
Exchange loss , net	(30.870)	(3.790)
Loss from net monetary position	(51.412)	(26.673)
Income (loss) before tax and minority interests in subsidiaries	(96.777)	166.591
Incometax		
Current	(14.464)	(20.143)
Deferred	3.727	(89)
Income (loss) before minority interests in subsidiaries	(107.514)	146.359
Minority interests	18.617	805
Discontinued operations		
Net loss from discontinued operations	-	(18.854)
Net income (loss)	(88.897)	128.310

* Reclassified for comparative purposes



SIDERURGICA VENEZOLANA "SIVENSA", S.A AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF RESULTS
NINE MONTHS ENDED JUNE 2010 AND 2009

(Thousands of constant bolivars at June 30, 2010)

	<u>2010</u>	<u>2009*</u>
Continuing operations		
Net sales	1.059.750	1.492.405
Cost of sales	(893.217)	(1.195.897)
Gross income	166.533	296.508
General, administrative expenses	(124.693)	(113.332)
Other operating income, net	6.736	267.823
Income before full financing income	48.576	450.999
Full financing income(expense)		
Interests and other financial expense, net	(7.453)	(48.130)
Exchange gain (loss) , net	49.995	(377)
Loss from net monetary position	(69.692)	(90.142)
Income before tax and minority interests in subsidiaries	21.426	312.350
Incometax		
Current	(37.708)	(59.524)
Deferred	17.042	459
Income before minority interests in subsidiaries	760	253.285
Minority interests	20.925	14.622
Discontinued operations		
Net income from discontinued operations	-	23.404
Net income	21.685	291.311

* Reclassified for comparative purposes