AHMSA Announces Third Quarter 2018 Results

Monclova, Coahuila – October 26, 2018 - Altos Hornos de México, S.A.B. de C.V. and Subsidiaries ("AHMSA" or "the Company") (BMV: AHMSA) reported financial results for the third quarter period ended September 30, 2018 (3Q 2018). Financial and operating figures included in this report are unaudited and are based on AHMSA's operating figures and financial statements; they are prepared in accordance with International Financial Reporting Standards (IFRS) and are expressed in U.S. dollars (US$) and metric tons (MT).

3Q 2018 Highlights

- **Adjusted EBITDA** reached US$ 82 million, a 70% YoY increase compared to US$ 48 million in 3Q 2017.
- **Steel Segment Adjusted EBITDA** increased 75% to US$ 97 million in 3Q18 from US$ 55 million in 3Q 2017.
    - *Steel shipments were 881 thousand MT, a 6% decrease compared to the same period in 2017.*
    - *Average price per ton increased by 28%, due to favorable market conditions for the Company.*
    - *Net Sales rose by 21% compared to 3Q 2017, driven primarily by an optimum product mix distribution as well as price improvements.*
    - *Cost of sales increased by 15% compared to 3Q 2017, mainly due to higher raw material costs and higher raw material usage.*
- **Steam Coal Segment adjusted EBITDA** reported a loss of US$ 9 million compared to a US$ 2 million loss in 3Q 2017. The following factors led to the bigger loss this quarter:
    - *Reduction in the monthly shipment volume requested by CFE[1].*
    - *Lower volumes reduced operating leverage and therefore led to an increase in unit costs of goods sold.*

[1] CFE. *Comisión Federal de Electricida*d (Federal Electricity Commission).

IR Contacts:

In Mexico
Luis Guillermo Valdés Portales
Director of Financial Planning
Altos Hornos de México, S.A.B. de C.V.
Tel: 52 (866) 649-3366 | plan_financiera@gan.com.mx

In New York
Maria Barona / Sean Glickenhaus
i-advize Corporate Communications, Inc.
Tel: (212) 406-3691
mbarona@i-advize.com / sglickenhaus@i-advize.com

Corporate Strategy Update

- AHMSA currently maintains a number of strategic investments:
  - *With regards to the progress rate for the iron ore recovery program, Proyecto Artemisa is advancing as scheduled and we expect that this project will conclude by the end of the year.*
  - *AHMSA continues to move forward on the repairs of 35 coke ovens at our #1 Coking Battery. As a result, we expect to increase annual coke capacity at this plant by approximately 177 thousand MT.*
- In preparation for AHMSA's return as a traded entity on the Mexican Stock Exchange (BMV), we are developing an investor relations strategy, including a complete redesign of AHMSA's corporate web site. Our objective is to enhance transparency and strengthen communications with the capital markets.

Comment from AHMSA's Chairman of the Board:

We were materially impacted by the inclusion of Mexico among the countries affected by Section 232 U.S. import tariffs. However, we expect that this situation will improve in the short term with the establishment of a quota system, whereby duty free steel exports within North America will be capped at historical levels. We believe that this type of arrangement, albeit not ideal, would be benficial to AHMSA and present attractive opportunities within the current post Section 232 environment. Specifically, we expect to see increased demand from some of our end markets, including construction-related pipes and profiles, which are currently in very short supply in the U.S.

In terms of our financial and operating results, during the third quarter of 2018, total and steel segment per ton EBITDA rose by 104% and 117%, respectively, compared to the same period of the previous year. While these results were positive, they could have been better had they not been limited by the impact of export tariffs, as well as by operating stoppages that lasted seven days due to natural gas supply problems.

With respect to the thermal (steam) coal segment, results continue to be unfavorable for us. However, the good news is that we are entering the final quarter of the prior contracts, and starting next year, the pricing formula will recognize a 50% weighting for foreign exchange fluctuations and will include a significant price increase. As a result, we expect to reverse the current negative financial trend and that the business will finally contribute positively to the Company's results.

Thank you for your interest in AHMSA.

Sincerely,

Alonso Ancira Elizondo
Executive Chairman of the Board

Financial Highlights

	3Q 2018	3Q 2017	%Var
Steel Segment			
Sales volume (thousands of MT)			
Flat products	794,254	842,706	(5.7)
Coated products	40,679	41,698	(2.4)
Structural shapes	46,398	43,520	6.6
Steel slabs	27	8,748	(99.7)
Total volume of shipments	881,359	936,672	(5.9)
Average sales price (US$ per MT)	888	693	28.1
Steel financial highlights (thousands of US$)			
Net sales	790,388	655,671	20.5
Cost of sales	653,626	567,372	15.2
Depreciation	39,561	42,147	(6.1)
Operating costs	21,372	39,926	(46.5)
Operating (loss) profit	75,829	6,226	1,117.9
EBITDA	103,329	50,623	104.1
Currency fluctuation	(6,728)	4,520	(48.8)
Adjusted EBITDA	96,601	55,143	75.2
Steam Coal Segment			
Sales volume (thousands of MT)	1,470	1,649	(10.9)
Average sales price (US$ per MT)	50	49	1.8
Steam coal financial highlights (thousands of US$)			
Net sales	73,377	80,869	(9.3)
Cost of sales	80,388	84,836	(5.2)
Depreciation	8,705	6,752	28.9
Operating costs	2,546	2,449	4.0
Operating (loss) profit	(18,263)	(13,167)	(38.7)
EBITDA	(7,195)	(2,366)	(204.1)
Currency fluctuation	(1,869)	692	(170.0)
Adjusted EBITDA	(9,064)	(1,674)	(441.6)

Financial Results

Consolidated Results

	3Q 2018	3Q 2017	Var %
Net Sales (thousands of US$)	890,199	744,751	19.5
Cost of sales	762,957	662,372	15.2
Depreciation	49,845	50,431	(1.2)
SG&A	42,215	47,001	(10.2)
Other (income) expenses	(13,778)	73	(18,859.2)
Operating income	48,960	(15,126)	223.7
EBITDA	90,112	42,626	111.4
Currency fluctuation	(8,596)	5,212	(64.9)
Adjusted EBITDA	81,516	47,838	70.4

Consolidated net sales for 3Q 2018 were US$ 890.2 million, a 19.5% increase compared to 3Q 2017, as a result of an increase in the average price per MT of steel and coal which outweighed lower sales volume for both segments.

In 3Q 2018, **cost of sales** totaled US$ 763.0 million, an increase of US$ 100.6 million (+15% YoY) compared to 3Q 2017. This impact on the cost of sales was primarily due to higher unit costs for raw materials and higher consumption of: coke, pellet feed and minerals, as well as higher production unit costs for the steam coal segment.

Selling, general and administrative expenses (SG&A) for 3Q 2018 represented 4.7% of net sales (-160bps YoY), a reduction of US$ 4.8 million compared to 3Q 2017. This decrease was principally the result of reductions in extraordinary expenses incurred during 3Q 2017 because of professional services and third-party contractors.

As a result, the Company reported an **operating income** of US$ 49.0 million in 3Q 2018, an increase of US$ 64.1 million compared with the operating loss reported for 3Q 2017.

Steel Segment

	3Q 2018	3Q 2017	Var %
Net Sales (thousands of US$)	790,388	655,671	20.5
Cost of sales	653,626	567,372	15.2
Depreciation	39,561	42,147	(6.1)
SG&A	35,155	39,863	(11.8)
Other (income) expenses	(13,783)	62	(21,986.2)
Operating income	75,829	6,226	1,117.9
EBITDA	103,329	50,623	104.1
Currency fluctuation	(6,728)	4,520	(48.8)
Adjusted EBITDA	96,601	55,143	75.2

Steel segment net sales for 3Q 2018 were US$ 790.4 million, a 20.5% increase compared to 3Q 2017 due to better market conditions. This enabled an increase in the average price by US$194/MT (+28% YoY) which allowed us to absorb the impact of lower sales volumes of 55 thousand MT (-6% YoY).

In 3Q 2018, **cost of sales** reached US$ 653.6 million, an increase of US$ 86.3 million (+15% YoY), compared to 3Q 2017. The impact on cost of sales was primarily due to an increase in imported raw material consumption that was required due to the higher production of liquid steel, as well as an increase in raw material costs.

Selling, general and administration expenses (SG&A) for 3Q 2018 reached US$ 35.2 million, representing 4.4% of net sales (-170bps YoY), a decrease of US$ 4.7 million compared to 3Q 2017.

As a result of the aforementioned, the steel segment reported **operating income** of US$ 75.8 million in 3Q 2018, a US$ 69.6 million increase over the operating income reported in 3Q 2017.

As part of the Company's vertical integration, mineral production for our own internal demand was as follows:

Product (in MT)	3Q 2018	3Q 2017	% Var
Iron Ore	899,181	826,419	8.8
Metallurgical Coal	229,898	258,374	(11.0)

Steam Coal Segment

	3Q 2018	3Q 2017	% Var
Net Sales (thousands of US$)	73,377	80,869	(9.3)
Cost of sales	80,388	84,836	(5.2)
Depreciation	8,705	6,752	28.9
SG&A	2,546	2,454	3.8
Other (income) expenses	0	(5)	(100.0)
Operating income	(18,263)	(13,167)	(38.7)
EBITDA	(7,195)	(2,366)	(204.1)
Currency fluctuation	(1,869)	692	(170.0)
Adjusted EBITDA	(9,064)	(1,674)	(441.6)

Steam Coal segment net sales for 3Q 2018 were US$ 73.4 million, a 9.3% decrease compared to 3Q 2017. This was the result of lower steam coal sales volume (179 thousand tons or –11% YoY) resulting from reduced demand from the CFE.

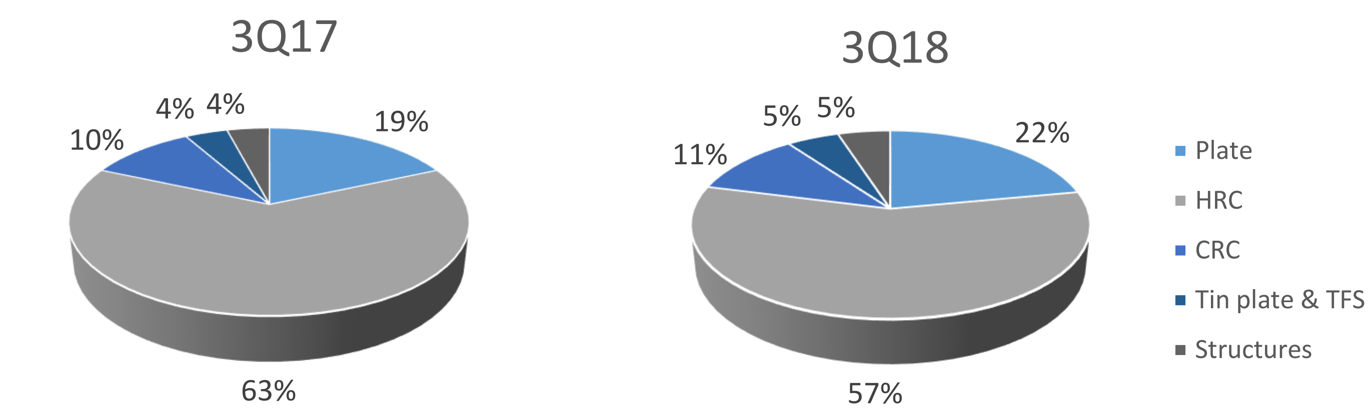
In 3Q 2018, **cost of sales** was US$ 80.4 million, a decrease of US$ 4.4 million compared to 3Q 2017. The impact on the cost of sales was mainly due to a lower volume of coal sales.

Selling, general and administrative expenses (SG&A) in 3Q 2018 represented 3.5% of net sales, or US$ 2.5 million, an increase of US$ 0.1 million compared to 3Q 2017.

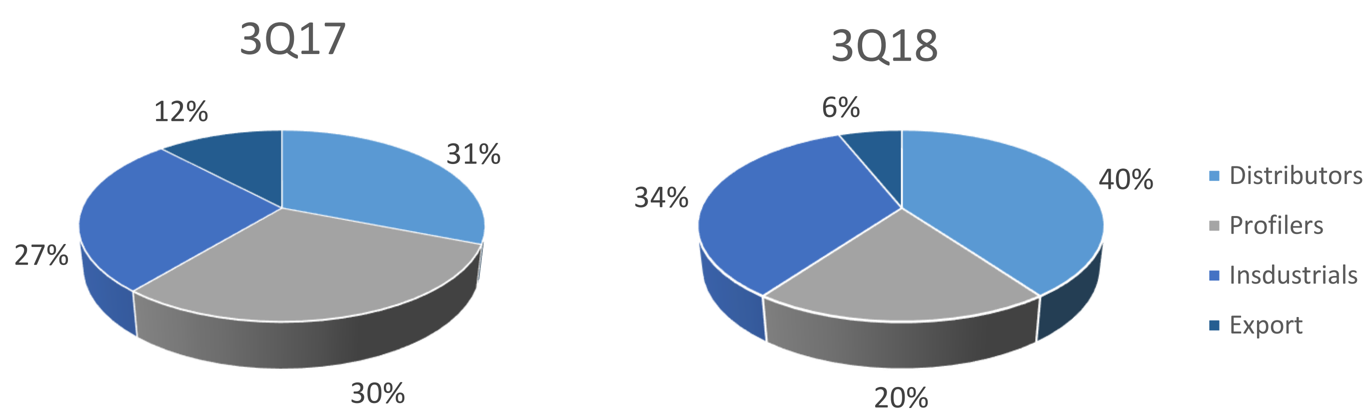
As a result of the above, the **operating loss** for the steam coal segment during 3Q 2018 was US$ 18.3 million, an increase of US$ 5.1 million compared with 3Q 2017.

Sales Analysis of Steel Segment

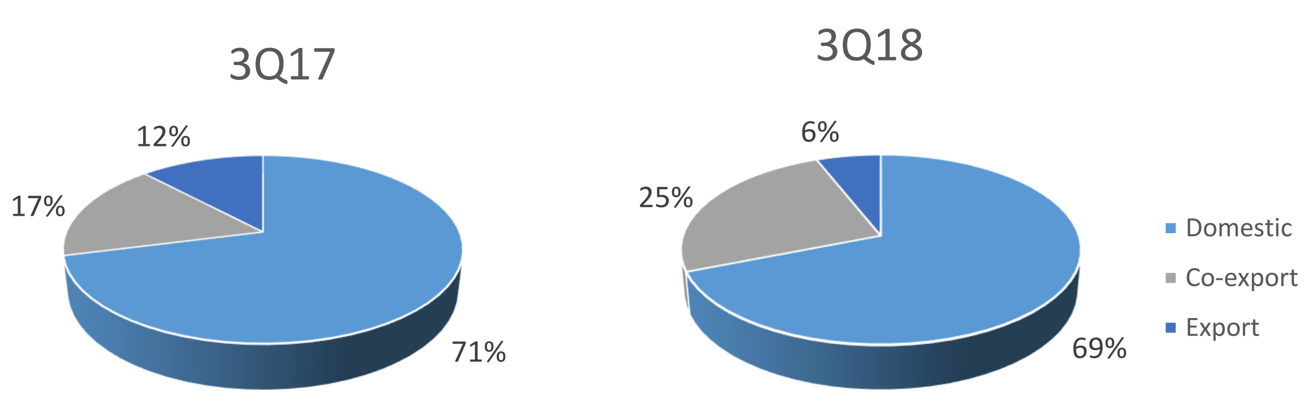
By Product Type:



By Client Type:



By Market:



Financial Debt

As of September 30, 2018, financial debt was US$ 1,048.3 million, a 21.1% increase compared to the US$ 865.7 million reported at the close of December 2017. Of this figure, US$ 376.3 million was bank debt, US$ 232.9 million corresponded to financial and capital leases, and US$ 439.1 million corresponding to our Suspension of Payments Rights zero coupon bond.

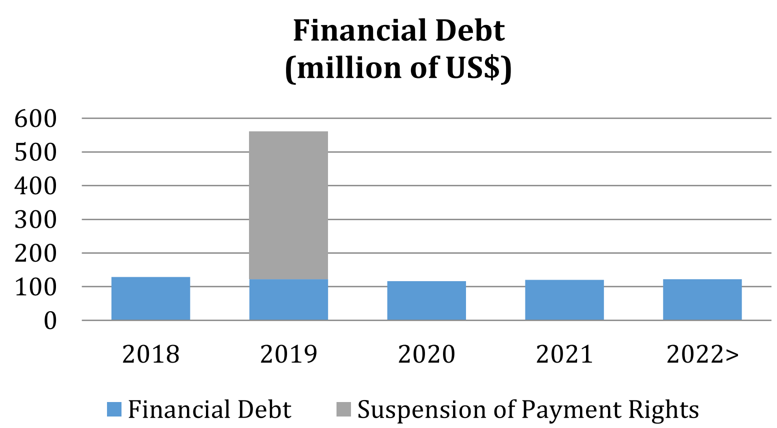
In July 2018, Minera del Norte, S.A. de C.V. ("MINOSA") drew upon US$ 3.4 million of its financial credit leasing line with Caterpillar Crédito S.A. de C.V., with an interest rate of 6.75% per year, due in one year. The proceeds were used to finance working capital requirements.

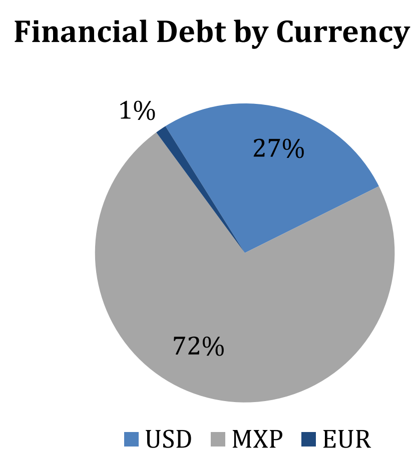
In September 2018, AHMSA signed a trading agreement with Almacenadora Afirme, S.A. de C.V. for US$50 million. The proceeds of this agreement were used to refinance existing debt with this institution and will be repaid in three consecutive months, at an interest rate of TIIE plus 5.5% per year.

In September 2018, MINOSA signed a three-year loan agreement with Almacenadora Afirme, S.A. de C.V., for US$140 million. The proceeds from this transaction were used for working capital needs. The loan is guaranteed by certain equipment of AHMSA and MINOSA and has an interest rate of TIIE plus 7% per year.

In September 2018, MINOSA signed a three-year loan agreement with Banca Afirme, S.A., for US$77 million, whose proceeds were used for working capital needs. This loan has an interest rate of TIIE plus 7% per year.

Financial Debt Profile





CAPEX

Capital Expenditures for the third quarter of 2018 were US$ 69.3 million. This figure includes the mining exploration expenses incurred to date. The main investments carried out during this period included those for the modernization and optimization processes, as well as technological updates and development of mines.

3Q18 Shareholder Composition

Shareholder	# of Shares	% Ownership
Grupo Acerero del Norte	302,325,250	64%
Board & Management	14,401,883	3%
Float	154,750,627	33%

About AHMSA

AHMSA is the largest steel producer in Mexico. The Company was founded in 1942 and began operations in 1944. In December 1991, the Company was privatized and Grupo Acerero del Norte, S.A. de C.V. (GAN) assumed control. In December 1995, GAN incorporated into AHMSA the iron ore and coal mines to convert AHMSA into an integrated steel producer in Mexico with a nominal capacity of 3.8 million MT of liquid steel per year. Since 2007, it has managed the *Fénix* Project, the most ambitious investment program in the Company's history aimed at increasing installed capacity by at least 40% and enabling AHMSA to surpass 5 million MT of liquid steel per year following the incorporation of its new electric arc furnace. With this new equipment, AHMSA also expanded its ranges of steel and increased specifications, which allows the Company to enter new market niches.

In 2017, AHMSA held 12% share of the domestic steel market, 22% of the domestic market for flat products and 12% of exports from Mexico of finished steel products. The corporate headquarters and steel mills have an area of approximately 1,200 hectares and is located in Monclova, Coahuila de Zaragoza, 248 km from the U.S. border.

Forward-looking statements:

The information set forth in this presentation contains "forward-looking statements" within the meaning of applicable Mexican securities legislation and the United States Private Securities Litigation Reform Act of 1995 (collectively, "forward-looking statements") including but not limited to projections of revenues or losses, plans and objectives for future operations, products or services, and statements relating to future economic performance. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause AHMSA's actual results to differ materially from those contemplated by the forward-looking statements. Important factors that could cause actual results to differ materially from those in the forward-looking statements include but are not limited to regional, national or global economic, business, market and regulatory conditions and the following: (i) AHMSA's ability to service its debt, including the outstanding non-transferable rights of each recognized creditor in the suspension of payments proceeding to receive certain payments; (ii) competition and loss of market shares; (iii) changes in AHMSA's relationships with customers and suppliers; (iv) increases in raw material costs or interruptions in supply; (v) declines in, and volatility affecting, global prices of steel; (vi) the existence or termination of free trade agreements, such as the North American Free Trade Agreement; (vii) foreign currency exchange fluctuations; (viii) the inherently dangerous nature of mining; (ix) work stoppages, strikes or other labor disputes; (x) changes in Mexican economic policy, as well as currency instability; (xi) inaccuracies in AHMSA's estimates of economically recoverable coal reserves; and (xii) AHMSA's dependence on certain raw materials.

The financial and operating projections, as well as estimates of assets, are based solely on the assumptions developed by AHMSA that it believes are reasonable based upon information available to AHMSA as of the date hereof. All projections and estimates are subject to material uncertainties, and should not be viewed as a prediction or an assurance of actual future performance. The validity and accuracy of AHMSA's projections will depend upon unpredictable future events, many of which are beyond AHMSA's control and, accordingly, no assurance can be given that AHMSA's assumptions will prove true or that its projected results will be achieved.

Non-GAAP Financial Measures:

This presentation provides information regarding EBITDA and Adjusted EBITDA. EBITDA and Adjusted EBITDA are not recognized terms or measures of financial performance under U.S. GAAP or IFRS and do not purport to be and should not be considered as alternatives to net income, as determined on a consolidated basis in accordance with IFRS, as indicators of AHMSA's operating performance or as net resources generated by operating activities as a measure of AHMSA's liquidity. AHMSA includes EBITDA and Adjusted EBITDA because it believes that they enhance the understanding of AHMSA's financial performance and its ability to satisfy principal and interest obligations with respect to its indebtedness as well as to fund capital expenditures and working capital requirements.

Exchange Rate disclaimer

This document includes certain exchange rate conversions from Mexican Pesos to U.S. Dollars, only for convenience of the user. The exchange rate used for the purposes of this translation is, for accounts related to the Income or Cash Flow statements, the average of the Official Exchange Rates published by Banco de Mexico each day during the months and the years ended, and the last day of each period for accounts related to the Balance Sheet.

Balance Sheet (thousands of US$)

	September 2018	December 2017
ASSETS		
Cash and cash equivalents	254,126	84,976
Clients, net	299,398	227,710
Due from related parties, net	14,014	10,514
Other accounts receivable, net	84,458	58,274
Inventories, net	486,454	355,011
Prepaid expenses	8,740	2,055
Total Current Assets	**1,147,190**	**738,540**
Due from related parties, net	25,754	24,587
Other accounts receivable, net	3,499	4,495
Guaranty deposits	64,650	44,675
Investments in shares of associates or joint ventures	5,296	4,114
Property, plant and equipment, net	2,225,635	2,182,335
Intangible assets, net	165,485	168,936
Other assets, net	49,634	34,354
Total Non-Current Assets	**2,539,953**	**2,463,495**
TOTAL ASSETS	**3,687,142**	**3,202,035**
LIABILITIES		
Financial liabilities	224,263	237,325
Suppliers	589,784	442,759
Taxes payable	136,160	81,230
Due to related parties	25,878	25,900
Liabilities from SP Restructuring	439,098	0
Due to related parties	72,391	120,669
Other payables and provisions	174,052	101,855
Total Current Liabilities	**1,661,625**	**1,009,738**
Financial liabilities	384,924	209,789
Liabilities from SP restructure	0	418,553
Employee retirement obligations	397,315	365,404
Other payables and provisions	13,783	17,258
Deferred income taxes	142,466	173,290
Total long-term liabilities	**938,488**	**1,184,294**
TOTAL LIABILITIES	**2,600,112**	**2,194,032**
SHAREHOLDERS' EQUITY		
Capital stock	725,329	691,391
Retained earnings	326,246	282,410
Other comprehensive income concepts	1,298	4,830
Total controlling interest	**1,052,873**	**978,631**
Non-controlling interest	34,157	29,372
TOTAL SHAREHOLDERS' EQUITY	**1,087,030**	**1,008,003**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**3,687,142**	**3,202,035**

Income Statement (thousands of US$)

	3Q 2018	3Q 2017
Net Sales	890,199	744,751
Cost of Sales	812,801	712,803
GROSS PROFIT (LOSS)	**77,397**	**31,948**
Selling, general and administrative expenses	42,215	47,001
Other Expenses, net	(13,778)	73
OPERATING INCOME (LOSS)	**48,960**	**(15,126)**
Financial Expenses	26,216	19,278
Financial Products	(1,511)	(626)
Currency Fluctuation	(10,554)	6,575
Investments in shares of associates or joint ventures	(422)	(281)
INCOME (LOSS) BEFORE INCOME TAXES	**35,232**	**(40,072)**
Income Taxes	16,583	(7,861)
INCOME (LOSS) FOR THE PERIOD	**18,649**	**(32,211)**
EBITDA	**90,112**	**42,626**

Statement of Cash Flow (thousands of US$)

	Jan-Sep 2018	Jan-Sep 2017
Profit (loss) net	58,516	(56,041)
Depreciation and amortization	165,663	166,260
Equity in income of associated and joint ventures	(968)	(623)
Impairment of assets	1,076	0
Loss on sales of property, plant and equipment, net	(13,602)	5,095
Income from sale of shares	0	0
Interest income	(4,585)	(3,748)
Currency fluctuation, Profit (loss)	72,349	57,982
Interest expense	(886)	(18,188)
	277,563	150,738
Trade accounts receivable, net	(64,066)	(62,459)
Due from related parties, net	(3,985)	(229)
Other short and long-term accounts receivable, net	(19,209)	(3,344)
Inventories, net	(98,014)	47,286
Advance payments	(1,750)	56
Suppliers	132,052	64,140
Taxes payable	1,148	(15,428)
Due to related parties	(2,368)	2,650
Other payables and provisions	103,530	(321)
Advances from customers	(52,018)	(63,812)
Employee retirement obligations, net	(19,945)	(11,585)
Other long term payables and provisions	(34,356)	43,439
Income tax (paid) recovered	(24,189)	(9,488)
Interest expenses paid	(16,354)	(15,506)
Interest income received	4,292	3,886
	(95,233)	(20,714)
Net cash flow provided by operating activities	182,330	130,024
Additions to property, plant and equipment	(69,270)	(63,306)
Cash provided by sales of property, plant and equipment	15,819	2,352
Investment in shares of associated companies	0	0
Accounts receivable from sale of shares	788	1,606
Guaranty deposits	(17,570)	(376)
Interest received	302	368
Other assets	(1,655)	(5,016)
Purchase of equity of Non controlling interest	0	0
Intangible assets	(11,822)	(23,453)
Net cash flow from financing activities	(83,408)	(87,825)
Financing debt	280,195	72,849
Financial debt paid	(158,426)	(97,144)
Interest paid	(32,854)	(26,336)
Net cash flow from financing activities	88,915	(50,631)
Increase (decrease) in cash and cash equivalents	187,838	(8,432)
Adjustments to cash flow due to exchange rate fluctuations	(18,688)	(13,053)
Beginning of year	84,976	45,710
End of period	254,126	24,225

Balance Sheet (thousands of Ps$)

	September 2018	December 2017
ASSETS		
Cash and cash equivalents	4,780,623	1,677,039
Clients, net	5,632,284	4,493,955
Due from related parties, net	263,629	207,495
Other accounts receivable, net	1,588,821	1,150,059
Inventories, net	9,151,164	7,006,289
Prepaid expenses	164,414	40,547
Total Current Assets	**21,580,935**	**14,575,384**
Due from related parties, net	484,486	485,236
Other accounts receivable, net	65,819	88,701
Guaranty deposits	1,216,200	881,670
Investments in shares of associates or joint ventures	99,625	81,200
Property, plant and equipment, net	41,868,642	43,069,251
Intangible assets, net	3,113,101	3,334,021
Other assets, net	933,716	677,982
Total Non-Current Assets	**47,781,589**	**48,618,062**
TOTAL ASSETS	**69,362,524**	**63,193,446**
LIABILITIES		
Financial liabilities	4,218,829	4,683,705
Suppliers	11,095,007	8,738,030
Taxes payable	2,561,434	1,603,098
Due to related parties	486,814	511,154
Liabilities from SP Restructuring	8,260,310	0
Due to related parties	1,361,826	2,381,449
Other payables and provisions	3,274,261	2,010,513
Total Current Liabilities	**31,258,481**	**19,927,588**
Financial liabilities	7,241,182	4,140,277
Liabilities from SP restructure	0	8,260,310
Employee retirement obligations	7,474,292	7,211,394
Other payables and provisions	259,289	340,597
Deferred income taxes	2,680,066	3,419,939
Total long-term liabilities	**17,654,829**	**23,372,518**
TOTAL LIABILITIES	**48,913,310**	**43,300,106**
SHAREHOLDERS' EQUITY		
Capital stock	13,644,882	13,644,882
Retained earnings	6,137,344	5,573,473
Other comprehensive income concepts	24,421	95,314
Total controlling interest	19,806,647	19,313,669
Non-controlling interest	642,566	579,670
TOTAL SHAREHOLDERS' EQUITY	**20,449,214**	**19,893,340**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**69,362,524**	**63,193,446**

Income Statement (thousands of Ps$)

	3Q 2018	3Q 2017
Net Sales	16,893,895	13,272,897
Cost of Sales	15,421,524	12,703,465
GROSS PROFIT (LOSS)	**1,472,371**	**569,433**
Selling, general and administrative expenses	801,067	837,684
Other Expenses, net	(263,051)	1,282
OPERATING INCOME (LOSS)	**934,355**	**(269,533)**
Financial Expenses	497,505	343,637
Financial Products	(28,545)	(11,169)
Currency Fluctuation	(203,569)	117,119
Investments in shares of associates or joint ventures	(7,981)	(5,015)
INCOME (LOSS) BEFORE INCOME TAXES	**676,945**	**(714,104)**
Income Taxes	316,944	(139,982)
INCOME (LOSS) FOR THE PERIOD	**360,001**	**(574,122)**
EBITDA	**1,713,574**	**759,731**

Statement of Cash Flow (thousands of PS$)

	Jan-Sep 2018	Jan-Sep 2017
Profit (loss) net	1,126,369	(1,038,662)
Depreciation and amortization	3,150,232	3,151,753
Equity in income of associated and joint ventures	(18,361)	(11,859)
Impairment of assets	20,489	0
Loss on sales of property, plant and equipment, net	(258,989)	96,504
Income from sale of shares	0	0
Interest income	(87,461)	(72,564)
Currency fluctuation, Profit (loss)	1,375,763	1,095,003
Interest expense	(13,806)	(354,094)
	5,294,236	2,866,081
Trade accounts receivable, net	(1,219,819)	(1,182,967)
Due from related parties, net	(75,873)	(4,340)
Other short and long-term accounts receivable, net	(365,741)	(63,335)
Inventories, net	(1,866,195)	895,600
Advance payments	(33,328)	1,055
Suppliers	2,514,270	1,214,820
Taxes payable	21,865	(292,197)
Due to related parties	(45,083)	50,197
Other payables and provisions	1,971,217	(6,083)
Advances from customers	(990,424)	(1,208,592)
Employee retirement obligations, net	(379,761)	(219,429)
Other long term payables and provisions	(654,143)	822,729
Income tax (paid) recovered	(460,558)	(179,699)
Interest expenses paid	(311,364)	(293,687)
Interest income received	81,715	73,606
	(1,813,222)	(392,321)
Net cash flow provided by operating activities	3,481,014	2,473,760
Additions to property, plant and equipment	(1,318,895)	(1,199,008)
Cash provided by sales of property, plant and equipment	301,194	44,545
Investment in shares of associated companies	0	0
Accounts receivable from sale of shares	15,000	30,409
Guaranty deposits	(334,530)	(7,115)
Interest received	5,746	6,976
Other assets	(31,502)	(95,012)
Purchase of equity of Non controlling interest	0	0
Intangible assets	(225,094)	(444,194)
Net cash flow from financing activities	(1,588,081)	(1,663,399)
Financing debt	5,334,910	1,379,757
Financial debt paid	(3,016,430)	(1,839,914)
Interest paid	(625,533)	(498,802)
Net cash flow from financing activities	1,692,947	(958,959)
Increase (decrease) in cash and cash equivalents	3,585,879	(148,599)
Adjustments to cash flow due to exchange rate fluctuations	(482,295)	(355,119)
Beginning of year	1,677,039	944,556
End of period	4,780,623	440,838