AHMSA Announces Fourth Quarter 2018 Results

Monclova, Coahuila – March 1, 2019 - Altos Hornos de México, S.A.B. de C.V. and Subsidiaries ("AHMSA" or "the Company") (BMV: AHMSA) reported financial results for the fourth quarter period ended December 31, 2018 (4Q 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), unless otherwise indicated.

4Q 2018 Highlights

- **Adjusted EBITDA** reached US$ 7.0 million, an 85.2% decline YoY compared to (US$ 47 million) in 4Q 2017.
- Excluding the effect of the tarriffs pertaining to Section 232, EBITDA reached US$ $27.2 million, a 24% decline year-over-year versus 4Q 2017; for the full year period 2018, this figure was US$ 304.7 million.
- **Adjusted EBITDA** for the **Steel Segment** declined by 78.2%, to US$ 13.6 million, compared to US$ 62.4 million in 4Q 2017. This result was explained by the following:
  - *Steel shipments were 905 thousand MT, an 8.5% decrease compared to the same period in 2017.*
  - *Average price per ton increased by 16.4%, due to favorable market conditions.*
  - *Net Sales rose by 6.5% compared to 4Q 2017, driven primarily by an optimum product mix distribution as well as price improvements.*
  - *Cost of sales increased by 11.7% compared to 4Q 2017, mainly due to higher raw material costs and higher raw material usage.*
- **Adjusted EBITDA** for the **Steam Coal Segment** reported a loss of US$ 3.5 million compared to a US$ 6.1 million loss in 4Q 2017. The following factors led to the improvement this quarter:
  - *A slight recovery in the price of coal.*
  - *Greater production efficiencies and improvements in the quality of coal.*

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 initiated partial operations as scheduled and we expect that this project will conclude by the end of the second quarter of 2019.*
- In order to secure its own supply of metallurgical coal, AHMSA opened the Conchas Sur mine, which is expected to initiate operations during the first quarter of 2020.
- *AHMSA continues to move forward on the repairs of 35 coke ovens at our #1 Coking Battery. As a result, annual coke capacity is expected to increase at this plant by approximately 177 thousand MT.*
- As part of AHMSA's investor relations strategy, the redesign of AHMSA's corporate web site is about to conclude. Our objective is to enhance transparency and strengthen communications with the capital markets.

Comment from AHMSA's Chairman of the Board:

This year, which should have been one of the best for AHMSA, was strongly affected by the U.S.'s application of section 232 tariffs to Mexico, which directly and indirectly affected 28% of our sales in the last quarter. This event had a strong impact on the volumes and sales prices for the domestic industry as well as for AHMSA.

Despite the challenges discussed above, we had better results than expected during the year, with a significant improvement of 245% in operating income mainly due to the increase in international steel prices.

In 2019, we renewed the 15% safeguard duty on steel imports and are confident that the negotiating team for the Mexican government will achieve the complete or partial cancellation of section 232, which we expect will translate into greater sales volume and lower costs.

This year we also strengthened our production of higher value-added steel as a result of investments made in this category.

Regarding the steam coal segment, we expect better results given the initiation of the new contract which improved the pricing formula.

Thank you for your interest in AHMSA.

Sincerely,

Alonso Ancira Elizondo
Executive Chairman of the Board

Financial Highlights

	4Q 2018	4Q 2017	%Var
Steel Segment			
Sales volume (thousands of MT)			
Flat products	814,367	909,003	(10.4)
Coated products	40,704	32,647	24.7
Structural shapes	49,960	47,341	5.5
Steel slabs	50	35	42.6
Total volume of shipments	905,081	989,026	(8.5)
Average sales price (US$ per MT)	803	690	16.4
Steel financial highlights (thousands of US$)			
Net sales	733,175	688,420	6.5
Cost of sales	677,932	607,012	11.7
Depreciation	39,035	38,510	1.4
Operating costs	42,630	31,761	34.2
Operating (loss) profit	(26,421)	11,138	(337.2)
EBITDA	16,810	52,668	(68.1)
Currency fluctuation	(3,218)	9,757	(133.0)
Adjusted EBITDA	13,593	62,425	(78.2)
Steam Coal Segment			
Sales volume (thousands of MT)	1,551	1,669	(7.1)
Average sales price (US$ per MT)	47	46	2.0
Steam coal financial highlights (thousands of US$)			
Net sales	72,870	76,891	(5.2)
Cost of sales	77,104	87,360	(11.7)
Depreciation	7,308	6,702	9.0
Operating costs	2,746	707	288.3
Operating (loss) profit	(14,287)	(17,878)	20.1
EBITDA	(3,733)	(7,736)	51.7
Currency fluctuation	286	1,676	(83.0)
Adjusted EBITDA	(3,448)	(6,061)	43.1

Financial Results

Consolidated Results

	4Q 2018	4Q 2017	Var %
Net Sales (thousands of US$)	816,656	774,924	5.4
Cost of sales	765,602	709,348	7.9
Depreciation	47,728	46,837	1.9
SG&A	47,021	37,788	24.4
Other (income) expenses	(456)	15,829	(102.9)
Operating income	(43,238)	(34,877)	(24.0)
EBITDA	9,896	35,601	(72.2)
Currency fluctuation	(2,932)	11,432	(125.6)
Adjusted EBITDA	6,964	47,034	(85.2)

Consolidated net sales for 4Q 2018 were US$ 816.7 million, a 5.4% increase compared to 4Q 2017. This result was due to the increase in sales of higher value-added products, together with improvements in the macroeconomic factors used in the formula for calculating the price of carbon sold to CFE, which enabled the Company to offset the lower sales reported in both segments.

In 4Q 2018, **cost of sales** totaled US$ 765.6 million, an increase of US$ 56.3 million (+7.9% YoY) compared to 4Q 2017. This impact on the cost of sales was primarily due to higher unit costs for raw materials for the consumption of coke and minerals, despite lower production unit costs for the steam coal segment.

Selling, general and administrative expenses (SG&A) for 4Q 2018 represented 5.8% of net sales (+90bps YoY), an increase of US$ 9.2 million compared to 4Q 2017. This result mainly stemmed from the increase in extraordinary expenses incurred for: professional service fees and other contracted services for the final stage of the Suspension Payment process and the certification of reserves.

As a result, the Company reported an **operating loss** of US$ 43.2 million in 4Q 2018, an increase of US$ 8.4 million compared with the operating loss reported for 4Q 2017.

Steel Segment

	4Q 2018	4Q 2017	Var %
Net Sales (thousands of US$)	733,175	688,420	6.5
Cost of sales	677,932	607,012	11.7
Depreciation	39,035	38,510	1.4
SG&A	40,107	32,138	24.8
Other (income) expenses	2,523	(377)	(768.4)
Operating income	(26,421)	11,138	(337.2)
EBITDA	16,810	52,668	(68.1)
Currency fluctuation	(3,218)	9,757	(133.0)
Adjusted EBITDA	13,593	62,425	(78.2)

Steel segment net sales for 4Q 2018 were US$ 733.2 million, a 6.5% increase compared to 4Q 2017 due to improved market price conditions. This enabled an increase in the average price by US$113/MT (+16.4% YoY) which allowed the Company to absorb the impact of lower sales volumes of 84 thousand MT (-8.5% YoY).

In 4Q 2018, **cost of sales** reached US$ 677.9 million, an increase of US$ 70.9 million (+11.7% YoY), compared to 4Q 2017. The impact on cost of sales was primarily due to an increase in imported raw material consumption, such as coke and minerals, as well as higher raw material costs.

Selling, general and administration expenses (SG&A) for 4Q 2018 reached US$ 40.1 million, representing 5.5% of net sales (+80bps YoY), an increase of US$ 8.0 million compared to 4Q 2017. This result was mainly due to the increase in extraordinary costs incurred in 4Q 2018 for: professional service fees and other contracted services for the final stage of the Suspension Payment.

As a result of the aforementioned, the steel segment reported an **operating loss** of US$ 26.4 million in 4Q 2018, a US$ 37.6 million decrease over the operating income reported in 4Q 2017.

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

Product (in MT)	**4Q 2018**	**4Q 2017**	**% Var**
Iron Ore	941,844	771,994	22.0
Metallurgical Coal	280,326	316,902	(11.5)

Steam Coal Segment

	4Q 2018	4Q 2017	% Var
Net Sales (thousands of US$)	72,870	76,891	(5.2)
Cost of sales	77,104	87,360	(11.7)
Depreciation	7,308	6,702	9.0
SG&A	2,749	709	287.5
Other (income) expenses	(3)	(2)	53.8
Operating income	(14,287)	(17,878)	20.1
EBITDA	(3,733)	(7,736)	51.7
Currency fluctuation	286	1,676	(83.0)
Adjusted EBITDA	(3,448)	(6,061)	43.1

Steam Coal segment net sales for 4Q 2018 were US$ 72.9 million, a 5.2% decrease compared to 4Q 2017. This was the result of a lower steam coal sales volume of 118 thousand tons (or –7.1% YoY), resulting from reduced demand from the CFE.

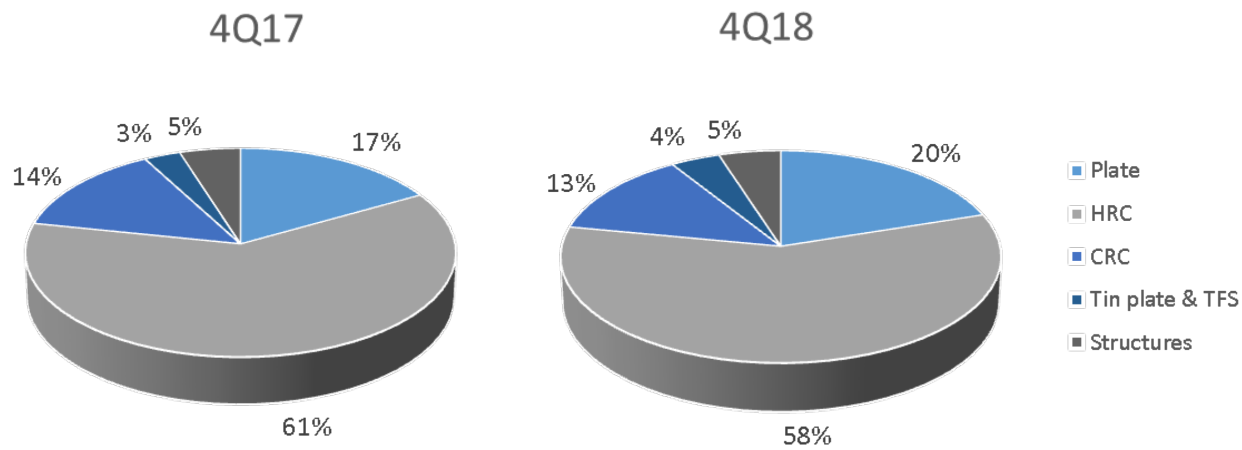
In 4Q 2018, **cost of sales** was US$ 77.1 million, a decrease of US$ 10.3 million compared to 4Q 2017. The positive impact on the cost of sales was mainly due to higher production efficiency and improvements in carbon quality.

Selling, general and administrative expenses (SG&A) in 4Q 2018 represented 3.8% of net sales, or US$ 2.7 million, an increase of US$ 2.0 million compared to 4Q 2017, mainly due to the costs incurred for the certification of reserves.

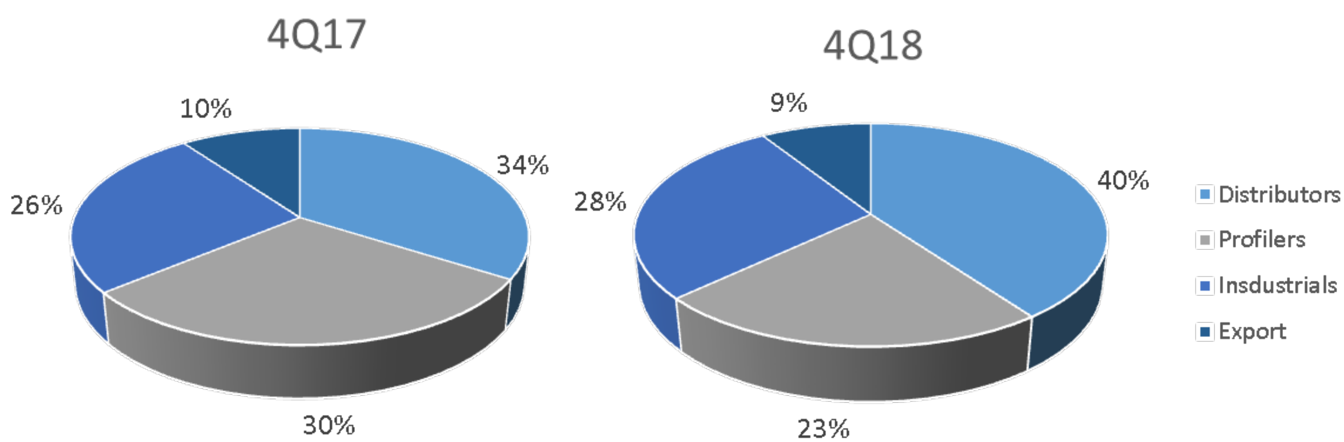
As a result of the above, the **operating loss** for the steam coal segment during 4Q 2018 was US$ 14.3 million, an improvement of US$ 3.6 million compared with the loss registered in 4Q 2017.

Sales Analysis of Steel Segment

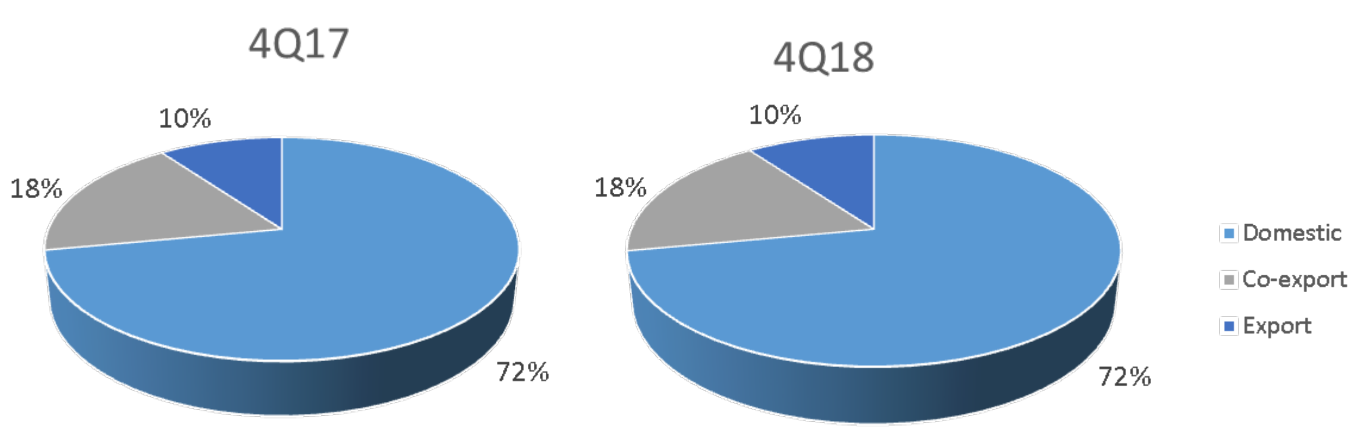
By Product Type:



By Client Type:



By Market:



Financial Debt

As of December 31, 2018, financial debt was US$ 952.8 million, a 10.1% increase compared to the US$ 865.7 million reported at the close of December 2017. Of this figure, US$ 309.0 million was bank debt, US$ 224.2 million corresponded to financial and capital leases, and US$ 420.0 million corresponded to our Suspension of Payments Rights zero coupon bond.

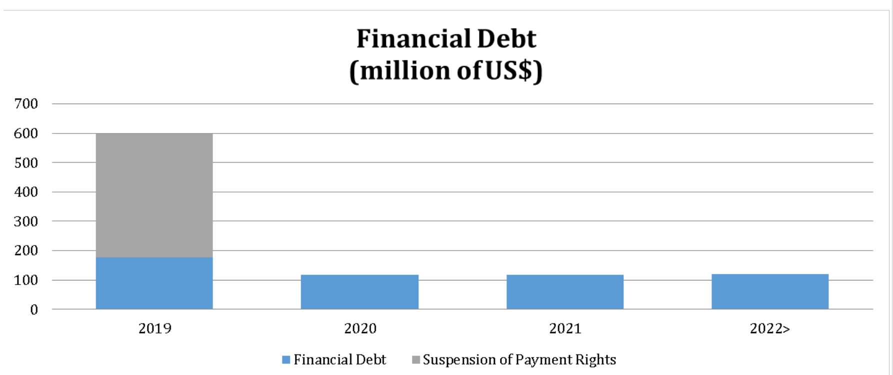
- In October 2018, Dos Repúblicas Coal Partnership ("DRCP"), used part of a US$ 2.5 million credit line with International Bank of Commerce; drawing down US$ 0.4 million, with a 6.75% annual interest rate at a 6-year term. The proceeds were used to finance working capital requirements.

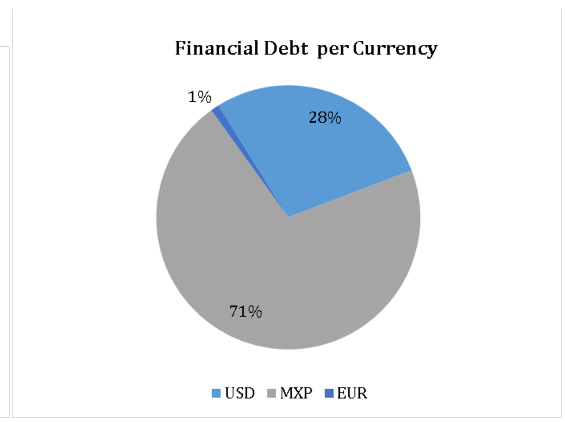
- In November 2018, Minera del Norte, S.A. de C.V. ("MINOSA") drew upon US$ 10 million of its financial credit leasing line with Caterpillar Crédito S.A. de C.V., with an annual interest rate of 6.75%, due in one year. The proceeds were used to finance working capital requirements.

- In December 2018, Minera del Norte, S.A. de C.V. ("MINOSA") drew upon US$ 10 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 December 2018, MINOSA signed a three-year loan agreement with Almacenadora Afirme, S.A. de C.V., for US$6million. The proceeds from this transaction were used for working capital needs. The loan has an annual interest rate of 13% and is guaranteed by AHMSA equipment.

Financial Debt Profile





CAPEX

Capital Expenditures for the fourth quarter of 2018 were US$ 121.2 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.

4Q18 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$)

	December 2018	December 2017
ASSETS		
Cash and cash equivalents	19,768	84,976
Clients, net	282,232	227,710
Due from related parties, net	14,570	10,514
Other accounts receivable, net	85,974	58,274
Inventories, net	478,929	366,770
Prepaid expenses	6,499	2,055
Total Current Assets	**887,973**	**750,298**
Due from related parties, net	24,722	24,587
Other accounts receivable, net	2,784	4,495
Guaranty deposits	54,302	44,675
Investments in shares of associates or joint ventures	5,320	4,114
Property, plant and equipment, net	2,114,383	2,170,577
Intangible assets, net	159,435	168,936
Other assets, net	48,165	34,354
Total Non-Current Assets	**2,409,111**	**2,451,737**
TOTAL ASSETS	**3,297,084**	**3,202,035**
LIABILITIES		
Financial liabilities	180,479	237,325
Suppliers	533,724	442,759
Taxes payable	70,190	81,230
Due to related parties	25,075	25,900
Liabilities from SP Restructuring	419,669	0
Due to related parties	77,859	120,669
Other payables and provisions	120,678	101,855
Total Current Liabilities	**1,427,674**	**1,009,738**
Financial liabilities	352,663	209,789
Liabilities from SP restructure	0	418,553
Employee retirement obligations	358,706	365,404
Other payables and provisions	13,954	17,258
Deferred income taxes	158,928	173,290
Total long-term liabilities	**884,251**	**1,184,294**
TOTAL LIABILITIES	**2,311,925**	**2,194,032**
SHAREHOLDERS' EQUITY		
Capital stock	693,235	691,391
Retained earnings	246,001	282,410
Other comprehensive income concepts	12,785	4,830
Total controlling interest	952,022	978,631
Non-controlling interest	33,137	29,372
TOTAL SHAREHOLDERS' EQUITY	**985,159**	**1,008,003**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**3,297,084**	**3,202,035**

Income Statement (thousands of US$)

	4Q 2018	4Q 2017
Net Sales	816,656	774,924
Cost of Sales	813,330	756,185
GROSS PROFIT (LOSS)	**3,327**	**18,739**
Selling, general and administrative expenses	47,021	37,788
Other Expenses, net	(456)	15,829
OPERATING INCOME (LOSS)	**(43,238)**	**(34,877)**
Financial Expenses	32,868	26,372
Financial Products	(2,318)	(1,943)
Currency Fluctuation	10,808	17,461
Investments in shares of associates or joint ventures	(255)	(428)
INCOME (LOSS) BEFORE INCOME TAXES	**(84,341)**	**(76,340)**
Income Taxes	(18,446)	(25,731)
INCOME (LOSS) FOR THE PERIOD	**(65,895)**	**(50,609)**
EBITDA	**9,896**	**35,601**

Statement of Cash Flow (thousands of US$)

	Jan-Dec 2018	Jan-Dec 2017
Profit (loss) net	(25,824)	(132,381)
Depreciation and amortization	218,911	221,033
Equity in income of associated and joint ventures	(1,223)	(1,051)
Impairment of assets	1,165	0
Loss on sales of property, plant and equipment, net	(13,807)	7,723
Income from sale of shares	0	(3,274)
Interest income	(6,903)	(5,690)
Allowance for doubtful accounts	0	16,352
Currency fluctuation, Profit (loss)	9,922	(727)
Interest expense	105,217	84,354
	287,459	186,339
Trade accounts receivable, net	(60,724)	(94,419)
Due from related parties, net	(5,258)	42
Other short and long-term accounts receivable, net	(20,218)	(1,062)
Inventories, net	(110,061)	45,189
Advance payments	(898)	6,018
Suppliers	110,540	127,045
Taxes payable	(14,939)	(1,232)
Due to related parties	(2,173)	3,838
Other payables and provisions	5,489	(24,778)
Advances from customers	(42,449)	(24,954)
Employee retirement obligations, net	(27,546)	(198)
Other long term payables and provisions	2,252	(179)
Income tax (paid) recovered	(29,449)	(12,774)
Interest expenses paid	(21,595)	(17,312)
Interest income received	6,635	5,720
	(210,394)	10,944
Net cash flow provided by operating activities	77,065	197,283
Additions to property, plant and equipment	(121,216)	(84,129)
Cash provided by sales of property, plant and equipment	17,238	3,634
Investment in shares of associated companies		
Accounts receivable from sale of shares	780	1,584
Guaranty deposits	(9,729)	(2,483)
Interest received	278	479
Other assets	(3,398)	(5,725)
Purchase of equity of Non controlling interest	0	0
Intangible assets	(15,879)	(28,825)
Net cash flow from financing activities	(131,930)	(114,384)
Financing debt	300,509	137,156
Financial debt paid	(237,154)	(132,435)
Interest paid	(52,652)	(42,380)
Net cash flow from financing activities	10,703	(37,660)
Increase (decrease) in cash and cash equivalents	(44,162)	45,240
Adjustments to cash flow due to exchange rate fluctuations	(21,046)	(5,974)
Beginning of year	84,976	45,710
End of period	**19,768**	**84,976**

Balance Sheet (thousands of Ps$)

	December 2018	December 2017
ASSETS		
Cash and cash equivalents	389,094	1,677,039
Clients, net	5,555,137	4,493,955
Due from related parties, net	286,787	207,495
Other accounts receivable, net	1,692,221	1,150,059
Inventories, net	9,426,710	7,238,343
Prepaid expenses	127,927	40,547
Total Current Assets	**17,477,876**	**14,807,438**
Due from related parties, net	486,595	485,236
Other accounts receivable, net	54,806	88,701
Guaranty deposits	1,068,815	881,670
Investments in shares of associates or joint ventures	104,717	81,200
Property, plant and equipment, net	41,617,198	42,837,197
Intangible assets, net	3,138,142	3,334,021
Other assets, net	948,020	677,982
Total Non-Current Assets	**47,418,293**	**48,386,008**
TOTAL ASSETS	**64,896,169**	**63,193,446**
LIABILITIES		
Financial liabilities	3,552,358	4,683,705
Suppliers	10,505,235	8,738,030
Taxes payable	1,381,534	1,603,098
Due to related parties	493,549	511,154
Liabilities from SP Restructuring	8,260,310	0
Due to related parties	1,532,490	2,381,449
Other payables and provisions	2,375,292	2,010,153
Total Current Liabilities	**28,100,768**	**19,927,588**
Financial liabilities	6,941,438	4,140,277
Liabilities from SP restructure	0	8,260,310
Employee retirement obligations	7,060,366	7,211,394
Other payables and provisions	274,648	340,597
Deferred income taxes	3,128,165	3,419,939
Total long-term liabilities	**17,404,617**	**23,372,518**
TOTAL LIABILITIES	**45,505,385**	**43,300,106**
SHAREHOLDERS' EQUITY		
Capital stock	13,644,882	13,644,882
Retained earnings	4,842,019	5,573,473
Other comprehensive income concepts	251,652	95,314
Total controlling interest	18,738,553	19,313,669
Non-controlling interest	652,231	579,670
TOTAL SHAREHOLDERS' EQUITY	**19,390,784**	**19,893,340**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**64,896,169**	**63,193,446**

Income Statement (thousands of Ps$)

	4Q 2018	4Q 2017
Net Sales	16,177,940	14,668,882
Cost of Sales	16,114,188	14,317,334
GROSS PROFIT (LOSS)	**63,753**	**351,548**
Selling, general and administrative expenses	931,541	713,553
Other Expenses, net	(9,061)	302,395
OPERATING INCOME (LOSS)	**(858,727)**	**(664,399)**
Financial Expenses	650,078	500,194
Financial Products	(45,512)	(36,802)
Currency Fluctuation	209,009	329,224
Investments in shares of associates or joint ventures	(5,092)	(8,156)
INCOME (LOSS) BEFORE INCOME TAXES	**(1,667,210)**	**(1,448,860)**
Income Taxes	(364,090)	(489,644)
INCOME (LOSS) FOR THE PERIOD	**(1,303,119)**	**(959,215)**
EBITDA	**195,364**	**672,327**

Statement of Cash Flow (thousands of PS$)

	Jan-Dec 2018	Jan-Dec 2017
Profit (loss) net	(540,846)	(2,487,522)
Depreciation and amortization	4,210,913	4,185,334
Equity in income of associated and joint ventures	(23,453)	(20,014)
Impairment of assets	20,489	0
Loss on sales of property, plant and equipment, net	(265,580)	147,405
Income from sale of shares	0	(62,000)
Interest income	(132,974)	(109,366)
Allowance for doubtful accounts	0	309,626
Currency fluctuation, Profit (loss)	195,208	(24,870)
Interest expense	2,025,841	1,595,197
	5,489,598	3,533,790
Trade accounts receivable, net	(1,168,065)	(1,787,852)
Due from related parties, net	(101,140)	790
Other short and long-term accounts receivable, net	(388,912)	(20,100)
Inventories, net	(2,117,109)	855,660
Advance payments	(17,265)	113,962
Suppliers	2,126,313	2,405,629
Taxes payable	(287,358)	(23,328)
Due to related parties	(41,807)	72,672
Other payables and provisions	105,584	(469,170)
Advances from customers	(816,529)	(472,511)
Employee retirement obligations, net	(529,869)	(3,750)
Other long term payables and provisions	43,313	(3,386)
Income tax (paid) recovered	(566,470)	(241,884)
Interest expenses paid	(415,395)	(327,808)
Interest income received	127,363	108,307
	(4,047,073)	207,231
Net cash flow provided by operating activities	1,442,525	3,741,021
Additions to property, plant and equipment	(2,331,672)	(1,593,008)
Cash provided by sales of property, plant and equipment	331,579	68,815
Investment in shares of associated companies	0	20,052
Accounts receivable from sale of shares	(64)	409
Guaranty deposits	15,000	30,000
Interest received	(187,145)	(47,015)
Other assets	5,338	9,078
Purchase of equity of Non controlling interest	(65,365)	(108,410)
Intangible assets	(305,436)	(545,810)
Net cash flow from financing activities	(2,537,765)	(2,165,889)
Financing debt	5,780,504	2,597,081
Financial debt paid	(4,561,818)	(2,507,694)
Interest paid	(1,012,800)	(802,487)
Net cash flow from financing activities	205,886	(713,100)
Increase (decrease) in cash and cash equivalents	(889,354)	862,032
Adjustments to cash flow due to exchange rate fluctuations	(398,591)	(129,548)
Beginning of year	1,677,039	944,556
End of period	**389,094**	**1,677,040**