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FOR IMMEDIATE DISTRIBUTION

**SIVENSA REPORTS THE FIRST QUARTER RESULTS OF THE FISCAL YEAR 2015**

CARACAS, JANUARY 30<sup>TH</sup>, 2015

As we have been reporting, on October 31, 2010, the former President of the Republic announced the expropriation of plants and other industrial assets owned by the subsidiary Siderúrgica del Turbio, S.A. "Sidetur" ("Sidetur"). On November 3, 2010, Presidential Decree No. 7786 dated November 2, 2010 was published in the Official Gazette No. 39.544 (the "Expropriation Decree").

In late October 2012, as promptly informed, the National Executive adopted the following measures: (i) the appropriation and transfer of available funds in bolivars in Sidetur's bank accounts to the account of the State owned company "Complejo Siderúrgico Bolivariano, S.A." at Banco de Venezuela; and (ii) the occupation of the industrial assets of said subsidiary by the aforementioned State owned company. Those measures were taken in violation of the provisions of the Law of Expropriation for Public or Social Purpose (*Ley de Expropiación por Causa de Utilidad Pública o Social* ("Expropriation Law")) and, in any case, without a court order or any authorization or judicial proceeding.

On November 6, 2012, in the Official Gazette of the Bolivarian Republic of Venezuela No. 40.044 Resolution No. 089 of the Ministry of the People's Power for Industries ("MPPI"), dated October 25, 2012, was published, such resolution appoints the new members of the Temporary Administrative Board for the subsidiary Sidetur, in execution of the Preventive Measure of "Occupancy and Temporary Operability and Appointment of Administrative Board" agreed by the extinct Institute for the Defense of the People's Access to Goods and Services (*Instituto para la Defensa de las Personas en el Acceso a los Bienes y Servicios* ("INDEPABIS")).

On December 6, 2012, the attorneys of the subsidiaries Sidetur and Tenedora de Acciones de Compañías Siderurgicas "Tecoside", S.A. ("Tecoside"), proceeded to file an amendment complaint before the Political Administrative Chamber of the Supreme Court of Justice, to the judicial recourse for the annulment against the Resolution No. 047 of the MPPI of February 2012, filed in the month of July 2012, to include Resolution No. 089 identified above. As of the date of this Report, there has been no final decision. Similarly, there has been no judicial decision with respect to (i) the appeal of the judgment of the Second Court for the Contentious Administrative Jurisdiction (*Corte Segunda de lo Contencioso Administrativo*) that dismissed the judicial recourse filed by the aforementioned subsidiary against the Preventive Measure of "Occupancy and Temporary Operability" issued by INDEPABIS on November 2010, currently before the Political Administrative Chamber of the Supreme Court of Justice; and (ii) the petition for annulment regarding the opposition filed by the judicial representation of Sidetur regarding the confirmation of the above preventive measure imposed by INDEPABIS in December 2011.

On November 8, 2012, Sidetur informed the Trustee, the Deutsche Bank, or representative of the bondholders of the events occurred on October 26, 2012 (order of transfer of Sidetur's funds in its bank accounts to the account of Complejo Siderúrgico Nacional, S.A.); on October 29, 2012 (occupation of Sidetur's industrial plants and scrap collection centers by Complejo Siderúrgico Nacional, S.A., not in accordance with the provisions of the Law of Expropriation for Public or Social Purpose and without any court order), and on November 2, 2012 (receipt of a communication from the insurance company notifying the termination of the "all industrial risk" policy that covered Sidetur's industrial assets, under the special termination clause set in said policy, given the two events mentioned above). Sidetur also notified the Trustee that as a result of these events, there had been a default of two covenants set forth in the agreement governing the debt.

On March 21, 2013, the attorneys of Sidetur brought before the Courts for the Contentious Administrative Jurisdiction (*Cortes de lo Contencioso Administrativo*) a lawsuit for the annulment of the de facto measures carried out by the State-owned company Complejo Siderúrgico Nacional, S.A., at the end of October, 2012, by occupying and taking possession of the real property and industrial assets that include six (6) industrial plants and the scrap collection centers owned by such subsidiary. The case was assigned by distribution to the Second Administrative Court and was admitted on 22 April 2013. Currently, the judicial process referred to above is in the sentencing phase.

On April 17, 2013, the attorneys of Sidetur filed a formal complaint (*Antejudio Administrativo* (Administrative Pretrial)) before the Superintendency of Banking Institutions (*Superintendencia de*

*Instituciones del Sector Bancario* ("SUDEBAN")), for damages inflicted to the subsidiary Sidetur as a result of the non-contractual liability of such governmental agency for instructing various financial institutions on October 26, 2012, to immediately transfer all cash amounts deposited (as well as any future deposits) in the accounts of the aforementioned subsidiary to a bank account belonging to the State-owned company Complejo Siderúrgico Nacional, S.A. As of this date, the referred entity has not issued any statement regarding the said claim.

On July 20, 2013, due to the measures taken by the National Executive in October 2012 (the transfer of available funds in bolivars in Sidetur's bank accounts to the account of the State owned company Complejo Siderúrgico Nacional, S.A. at Bank of Venezuela, and the occupation of the industrial assets of the said subsidiary by such State owned company) neither Sidetur Finance as issuer nor Sidetur as guarantor of the 2016 bonds, were able to pay the principal and interest due on the same date.

On July 26, 2013, Deutsche Bank, acting as Trustee, notified the bondholders as well as Sidetur (i) that there had been a default due to the non-payment of the principal installment due on July 20, 2013, (ii) that there had been a default due to the lack of sufficient funds in the Reserve Account, (iii) that the issuer had defaulted in the payment of interest due on July 20, 2013, which will become a default if such payment does not occur within the following 30 days, and (iv) that, for the moment, it would not take further actions unless certain holders, defined as "Required Note Holders", would require it to do so, noting that in order to act, following any request or instruction, such holders should furnish to the Trustee security or indemnity reasonable satisfactory to it against the cost expenses and liabilities that might be incurred by it.

With respect to the judicial recourse for the annulment of the Expropriation Decree of assets and industrial facilities of the subsidiary Sidetur filed before the Political Administrative Chamber of the Supreme Court of Justice, it should be noted that since May 27, 2014 this trial is at the sentencing stage after such Chamber declared the conclusion of the substantiation stage on April 29, 2014 and Sidetur's attorneys filed their written conclusions on May 16, 2014.

On February 11, 2014, the First Court for the Contentious Administrative Jurisdiction issued a ruling stating that it had jurisdiction to review the lawsuit filed on December 17, 2013 by the Office of the Attorney General of the Bolivarian Republic of Venezuela, for the expropriation of the movable assets, real property and improvements of the subsidiary Sidetur, before the Courts for the Contentious Administrative Jurisdiction. In the referred claim, the Office of the Attorney General, also requested an innominated judicial measure of "Occupation, Possession, Use and Administration" over all of Sidetur's real property, movable assets, consumable inventories, warehouses, vehicles and improvements, which was granted by the aforementioned Court.

Additionally, the Court ordered the notification of all the concerned Registry Offices requesting information regarding the ownership and encumbrances of the real property; all notifications were made by the end of the month June 2014.

#### ACCOUNTING TREATMENT OF THE OPERATIONS OF THE SUBSIDIARY SIDETUR

The consolidated financial statements of Siderurgica Venezolana “Sivensa”, S.A., referred to in this report include the accounts of the Sideturaffiliate and its subsidiaries on a consolidated basis.

The events occurred at the end of October 2012, especially the occupation, possession and control by the Complejo Siderurgico Nacional S.A. company, including the industrial assets used by Sidetur in its operations and activities aimed at the production and sale of the steel products, have caused that, after such occupation, Sidetur has not been able to continue realizing its regular operations and activities with its assets occupied.

The industrial assets of Sidetur that were occupied, other assets appropriated and the liabilities that should have been assumed by the State owned company Complejo Siderúrgico Nacional, S.A., correspond to property, plant and equipment, inventories, cash in national currency, trade accounts receivable, net of accounts payable to suppliers and others, customer advances, profits, holidays, and other accruals and payable social benefits. These balances at the occupation date are presented in an account of the consolidated balance sheet named “Net Assets under Expropriation Process and Assets Subject to Appropriation”. Likewise, the remaining Sidetur assets and obligations, including the financial debt, remain in its balance sheet. This information was timely sent by Sidetur to its creditors, official entities and regulators, informing them about the events that occurred at the end of October 2012.

#### PRESENTATION OF FINANCIAL STATEMENTS

The attached Sivensa’s consolidated financial statements are prepared and presented in accordance with the accounting practices stated by the National Securities Commission (*Comisión Nacional de Valores* (CNV)) now renamed National Superintendency of Securities (*Superintendencia Nacional de Valores* (“SNV”)), which are based on the International Accounting Standards (IAS) and the International Financial Reporting Standards (IFRS), as set out in the Resolution No. 254-2008 issued in December 2008 by the Directory of the SNV.

The consolidated results in bolivars of the quarters ended on December 31, 2014 and 2013, referred to in this report, were adjusted for inflation on December 31, 2014<sup>1</sup>, except for the results of the subsidiary International Briquettes Holding (“IBH”) whose functional currency is the US dollar<sup>2</sup>.

The Directory of the Venezuelan Federation of Colleges of Public Accountants in its Extraordinary Meeting of December 25th 2014, reported the following: i) considering among others, that the publication of the National Consumer Price Index (“NCPI”) shows a lag since August 2014 and that the same is the statistical instrument through which the effects of inflation are measured and known and its results in the entities for the economic and fiscal type purposes, ii) considering that every Venezuelan entity has the legal obligation, from the tax, commercial and contractual point of view, to present its financial information within a specified period; iii) Considering that the financial information, according to accounting principles generally accepted in Venezuela, requires the recognition of the inflation of the economic environment of the functional currency when the conditions for it exist and iv) considering that the accounting principles generally accepted in Venezuela (VEN-NIF), which are based on the International Financial Reporting Standards (IFRS), contain provisions that state the conditions for the realization of estimates, in order to prepare the financial information, ratified that the entities requiring the issuance of financial information of general purpose of fiscal year closing or intermediate periods, must estimate the impact of the financial situation and the result of their operations to the date reported.

Given the above, management used the rate of inflation (percentage variation of the NCPI) of November 2014 published by the Central Bank of Venezuela (“CBV”), to estimate the one corresponding to December 2014, because as of the date of issuance of this report, the CBV has not yet published the NCPI of said month. The estimated inflation percentage for the period of three (3) months ended on December 31st 2014 was 16.55% and 67.53% in the twelve-month (12) period ended on December 31st 2014.

Additionally, the Directory of the Venezuelan Federation of Colleges of Public Accountants reported that because the recognition of the inflation is an accounting estimation, the effect of its variations will be registered as indicated in the VEN-NIF. In accordance with the International Accounting Standard No. 8 (IAS 8), the effect of a variation in an accounting estimation, will be prospectively recognized, including it in the result or adjusting the carrying value of the corresponding item of asset, liability and/or equity in the period when the change occurred.

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<sup>1</sup> The fiscal year 2015 covers the twelve-month period from October 1<sup>st</sup>, 2014 to September 30<sup>th</sup>, 2015. The fiscal year 2014 covers the twelve-month period from October 1<sup>st</sup>, 2013 to September 30<sup>th</sup>, 2014. The first quarter of the fiscal year 2015 begins on October 1<sup>st</sup> 2014 and ends on December 31<sup>st</sup> 2014. The first quarter of the fiscal year 2014 begins on October 1<sup>st</sup> 2013 and ends on December 31<sup>st</sup> 2013.

<sup>2</sup>The consolidated results converted to bolivars of the subsidiary IBH and included in the consolidated results of Sivensa, corresponding to the quarter ended December 31<sup>st</sup> 2013, were adjusted for inflation on December 31<sup>st</sup> 2014 for comparison purposes.

The effect on the consolidated equity of the Sivensa's shareholders on September 30th 2014, by the estimation of inflation percentage<sup>3</sup> of the twelve-month (12) period ended on said date, was an underestimation of Bs 54.61 million.

Considering the exchange agreements in force on the date of preparation of this report, the transactions and balances in foreign currency of Sivensa and its subsidiaries (whose functional currency is the bolivar), mainly made up by US dollars, have been converted to bolivars utilizing the exchange rate in force at the date of the transaction and the closure exchange rate, respectively, as outlined in the International Accounting Standard No. 21 (IAS21). On December 31<sup>st</sup>2014 and 2013 the closure exchange rate utilized was the SICAD II exchange rate of Bs 49.9883/US\$ and the official exchange rate of Bs 6.30/US\$, respectively, because management considers that these rates reflect the best estimation of the expectations of future flows of bolivars that should be expended or received to extinguish the obligations or realize the assets in foreign currency at those dates, utilizing legal mechanisms and permitted by the State or laws of the Bolivarian Republic of Venezuela. The exchange differences, mainly resulting from the fluctuations of the bolivar with regard to the dollar, when converting the balances in foreign currency at December 31<sup>st</sup> 2014, are presented in the results of the financial year ended on said date, in the account "Exchange gain, net".

The conversion to bolivars of the consolidated financial statements of the IBH subsidiary, elaborated in UDS, which is its functional currency, have been realized in accordance with IAS21, as applicable to an entity whose functional currency and presentation currency are different, as follows: the assets and liabilities are converted at the closure exchange rate and the equity is converted at the historical exchange rates. On December 31<sup>st</sup>2014 and 2013 the closure exchange rate utilized was the exchange rate of SICAD II of Bs 49.9883/US\$ and the official exchange rate of Bs 6.30/US\$ respectively. The exchange differences resulting from the conversion to bolivares of the consolidated financial statements of the IBH subsidiary, prepared in USD, on December 31<sup>st</sup>2014 and 2013, net of the minority interest are presented in the consolidated balance sheet in the account "Translation Adjustment".

## ANALYSIS OF THE QUARTER RESULTS

The consolidated results of Sivensa mainly include the operations of the Sidetur subsidiary and the operations of the IBH subsidiary, corresponding to the three-month periods ended on December 31<sup>st</sup> 2014 and 2013.<sup>4</sup>

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<sup>3</sup>The estimation of the inflation percentage for the twelve-month period ended on September 30th 2014 was realized considering the NCPI published by the CBV until August 2014 and the management's estimation of the NCPI of September 2014 resulted in 61.87%.

The most significant aspects of the Consolidated Statement of Income are described below:

Operating loss: in the period October-December 2014, the operating loss of Sivensa was Bs 41.82 million, compared to the loss of Bs 17.76 million during the same period of 2013. The increase of Bs 24.06 million is basically due to the increase in the account “General and Administrative Expenses” in Bs 27.11, mainly because during the quarter that ended on December 31<sup>st</sup> 2014, the expenses denominated in US dollars (including the expenses of the subsidiary IBH) were translated to bolivars using the SICAD II exchange rates published by the CBV and during the previous quarter the official exchange rate of Bs 6.30/US\$ was the one used. The growth of this account was partially offset with the increase of Bs 3.05 million in the account of “Other Operating Income, net”.

Loss before income tax: During the first quarter of the fiscal year 2015, this loss was Bs 64.17 million compared to the loss of Bs 42.14 million in the same period of the previous year. This negative variation of Bs 22.03 million is mainly explained by: i) the increase of the operating loss of the period commented in the previous paragraph, and ii) the increase of Bs 8.18 million in the item “Financial Expenses, net”, mainly because said expenses, which are fundamentally denominated in US dollars, were translated to bolivars utilizing the exchange rates of the SICAD II published by the CBV during the quarter ended on December 31<sup>st</sup> 2014 and during the previous quarter, the official exchange rate of Bs 6.30/US\$ was used. These negative movements were partially offset by the decrease of Bs 9.69 million in the monetary loss during the period October-December 2014, compared to the same period of the year 2013.

Net loss of the quarter: In the three-month period that ended on December 31<sup>st</sup> 2014, this loss was of Bs 64.11 million compared to the loss of Bs 42.11 million in the same period of the previous fiscal year. This increase of Bs 22.00 million is mainly the product of the loss before tax explained above. The net loss of the quarter includes the results of the Sivensa's and its subsidiaries' operations before the participation of the minority shareholders, mainly in the net results of the filial IBH.

#### Net loss of the quarter attributed to the Sivensa's Shareholders

This result in the first quarter of the fiscal year 2015 was a loss of Bs 58.96 million compared to the loss of Bs 39.19 million registered in the same period of the previous year. This

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<sup>4</sup> The consolidated financial statements of Sivensa on December 31<sup>st</sup> 2013 were adjusted for inflation on December 31<sup>st</sup> 2014 for comparative purposes.

increase of Bs 19.77 million is mainly explained by the loss before tax commented above. The net loss of the quarter attributed to Sivensa's Shareholders include the results of the operations of Sivensa and its subsidiaries, after the participation, primarily of 31.46% of the minority Shareholders of IBH in the net results of said subsidiary by the three-month periods ended on December 31<sup>st</sup> 2014 and 2013. In such periods, that participation was a loss for the minority Shareholders of Bs 5.15 million and Bs 2.92 million, respectively.

## INTERNATIONAL BRIQUETTES HOLDING (IBH)

### NACIONALIZATION OF VENPRECAR AND ORINOCO IRON SUBSIDIARIES

Despite efforts to pursue negotiations with the public sector involved in the process of nationalization of Venprecar and Orinoco Iron, It has not been possible up to this date, to reach a deal with the Government to set up a working schedule in order to negotiate a fair price for assets subject to nationalization. On July 9, 2013, the subsidiary International Briquettes Holding (IBH) filed a request for indemnification (compensation) against the Bolivarian Republic of Venezuela, before the Ministry of the People's Power for Industries, as a result of the de facto expropriation of the equity interest that such subsidiary holds directly and indirectly (through IBH de Venezuela, C.A.) in the corporations Venprecar and Orinoco Iron, whose operational control and management were unilaterally and exclusively taken over by the Venezuelan state, without complying with the procedure set forth in the Expropriation Law, or having paid the timely, fair and integral compensation. As of this date, the aforesaid Ministry has not issued any statement regarding that request.

In the Extraordinary Official Gazette of the Bolivarian Republic of Venezuela No. 6,119, dated December 19, 2013, the Presidential Decrees of same date, related to the briquetted-iron companies Venprecar and Orinoco Iron (both affiliates of the subsidiary International Briquettes Holding (IBH) were published, namely: (i) Decree No. 695, pursuant to which the movable assets, real property and improvements used for the operation of Venezolana de Prerreducidos Caroni "VENPRECAR" C.A. and its subsidiaries are subject to forced acquisition, as they are considered essential for the execution of the Work "Fortalecimiento de la Transformación del Mineral de Hierro y Generación de Briquetas en Caliente que Contribuyan con el Sector Industrial Siderúrgico" ("Strengthening of Iron Ore Transformation and Hot Briquettes Generation that Contribute to the Iron and Steel Industrial Sector"); and (ii) Decree No. 697, pursuant to which the movable assets, real property and improvements used for the operation of Orinoco Iron, S.C.S. and its subsidiaries are subject to forced acquisition, as they are considered essential for the execution of the Work "Fortalecimiento de la Reducción Directa del Mineral de Hierro y Generación de Briquetas en Caliente que



Contribuyan con el Sector Industrial Siderúrgico” (“Strengthening of Iron Ore Direct Reduction and Hot Briquettes Generation that Contribute to the Iron and Steel Industrial Sector”) (the “Acquisition Decrees”).

On April 2, 2014, two separate notices issued by the Office of the Attorney General of the Bolivarian Republic of Venezuela were published in the newspaper Correo del Caroni, in execution of the Acquisition Decrees of IBH’s subsidiaries, Venprecar and Orinoco Iron, respectively, addressed to the owners, holders and, in general, to all persons having any right or interest in the movable assets, real property and improvements of such subsidiaries, summoning those persons to appear before said Office within the next thirty (30) days.

Within the timeframe set forth in Article 22 of the Expropriation Law and in the text of the aforementioned notices, the attorneys and judicial representatives of IBH and its subsidiary IBH de Venezuela, C.A., which jointly hold 98.936062% of the equity interest in Venprecar and Orinoco Iron (together with the Company and other subsidiaries that directly hold the 1.063875% of such equity interest), appeared before the Office of the Attorney General of the Republic in accordance with the provisions of the said article and presented their written allegations in two separate documents (one for each of the aforementioned Acquisition Decrees) laying out the legal and factual arguments that, in their opinion, justified the unenforceability of such Decrees under the terms in which they were framed, considering that in February 2010 the Venezuelan State assumed, unilaterally and exclusively, the operational control and management of Venprecar and Orinoco Iron for the purposes of their transformation into State-owned companies.

On June 10, 2014, IBH de Venezuela, C.A., holder of legitimate interests as owner of 79.649740% of the equity interest in Venprecar and Orinoco Iron, filed before the Political Administrative Chamber of the Supreme Court of Justice two judicial recourses for the annulment of the aforesaid Acquisition Decrees.

On July 10, 2014, the Substantiation Court of the aforementioned Supreme Court Chamber admitted the judicial recourses referred to in the preceding paragraph.

Subsequently, the Political Administrative Chamber of the Supreme Court of Justice in decisions of the 9th and 28th of October 2014, declared inadmissible, in each case, the injunction suspending the effects of the Acquisition Decrees of the movable assets, real property and improvements of Orinoco Iron and Venprecar, requested by the subsidiary IBH de Venezuela, C.A. To date, there has been no judicial decision with respect to the judicial recourses for annulment of Acquisition Decrees.

On December 10, 2014, in view of the request for joinder of judicial proceedings for the annulment of the Acquisition Decrees filed by the Attorney General's Office, the Political Administrative Chamber of the Supreme Court of Justice suspended the trial hearing set for the 10<sup>th</sup> day of the same month and year, in the proceeding commenced with respect to the judicial recourses for annulment of the Acquisition Decree of the movable assets, real property and improvements of Venprecar.

#### OTHER BUSINESSES

After the nationalization of the subsidiaries Venprecar and Orinoco Iron, IBH has continued with its businesses of international marketing of products aimed at industrial sectors.

#### SOCIAL RESPONSIBILITY

During the period October-December 2014, FUNDAMETAL, the Center of Applied Knowledge, maintained in all its sites the educational programs devoted to improve the professional formation. During the quarter, the social actions to continue to contribute with improvements in the quality of life of the communities where it has direct influence were maintained in the sites of Valencia and Guayana. About 6,000 hours of social action were dedicated by the apprentices of FUNDAMETAL, to support various educational institutions located in the areas near the seats of Carabobo and Guayana.



**SIDERURGICA VENEZOLANA "SIVENSA", S.A AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEET**  
**DECEMBER 31, 2014 AND 2013**

(In thousands of constant bolivars at December 31, 2014)

	<b>2014</b>	<b>2013</b>
<b>Assets</b>		
Non-current Assets		
Available for-sale investment		
Investments in companies under "nationalization"	45,142,488	9,531,264
Net assets in process of expropriation and assets subject to appropriation	4,979,706	4,863,547
Accounts receivable from companies under "nationalization", net	4,095,819	797,945
Property, plant and equipment, net	132,082	226,943
Other non-current assets	63,891	20,831
	54,413,986	15,440,530
Current assets		
Prepaid expenses and other current assets	29,242	3,094
Inventories	-	2,330
Advances to suppliers	8,622	25,924
Accounts receivables		
Other accounts receivable	825,180	538,277
Related companies	3,997	4,302
Investments in trading securities	387,407	-
Cash and cash equivalents	209,117	338,548
Total current assets	1,463,565	912,475
Total assets	55,877,551	16,353,005
<b>Equity and Liabilities</b>		
Equity		
Capital stock		
Nominal	105,049	105,049
Inflation adjustment	5,253,165	5,253,165
Share premium	515,372	515,372
Net effect of combination (merger) of subsidiaries	259,622	434,945
Surplus from revaluation associated with investments in companies under "nationalization"	304,318	509,827
Difference between fair value and cost of shares of subsidiary	723,649	1,212,331
Translation adjustment	27,560,568	929,616
Retained earnings		
Legal reserve	536,382	536,382
Unappropriated	462,197	1,926,804
Total equity of Sivensa shareholders	35,720,322	11,423,491
Non-controlling interests	14,221,459	3,014,270
Total equity	49,941,781	14,437,761
Liabilities		
Non-current liabilities		
Accrual for length-of-service benefits, net of advances and loans to employees	2,742	534
Other long-term liabilities and accruals	53,841	127,733
Deferred income tax	427,978	425,548
Total non-current liabilities	484,561	553,815
Current liabilities		
Short-term bank loans	296,187	62,524
Financial obligation	3,684,438	774,702
Profit sharing, vacation bonus and other employee accruals	1,310	2,039
Taxes	69,700	117,075
Other liabilities and accruals	1,318,140	382,458
Accounts payable		
Suppliers	30,062	10,286
Related companies	51,372	12,345
Total current liabilities	5,451,209	1,361,429
Total liabilities	5,935,770	1,915,244
Total equity and liabilities	55,877,551	16,353,005



**SIDERURGICA VENEZOLANA "SIVENSA", S.A AND SUBSIDIARIES**  
**CONSOLIDATED INCOME STATEMENT**  
**QUARTERS ENDED 31 DECEMBER 2014 AND 2013**

(In thousands of constant bolivars at December 31, 2014)

	<b>2014</b>	<b>2013</b>
General and administrative expenses	(49,324)	(22,213)
Other operating income, net	7,507	4,458
Operating loss	<u>(41,817)</u>	<u>(17,755)</u>
Financial expenses, net	(9,718)	(1,535)
Exchange gain, net	512	-
Loss from net monetary position	(13,149)	(22,846)
	<u>(22,355)</u>	<u>(24,381)</u>
Loss before income tax	<u>(64,172)</u>	<u>(42,136)</u>
<b>Income tax</b>		
Current	-	(35)
Deferred	65	64
	<u>65</u>	<u>29</u>
Net loss of the quarter	<u><u>(64,107)</u></u>	<u><u>(42,107)</u></u>
<b>Net loss of the quarters attributed to</b>		
Sivensa shareholders	(58,960)	(39,187)
Non-controlling interest	(5,147)	(2,920)
Net loss for the quarter	<u>(64,107)</u>	<u>(42,107)</u>



SIDERURGICA VENEZOLANA "SIVENSA", S.A AND SUBSIDIARIES  
CONSOLIDATED FINANCIAL INDICATORS  
AS OF DECEMBER 30, 2014 AND 2013

		2014	2013
<b>Solvency</b>	<u>Current assets</u> Current liabilities	0.27	0.67
<b>Working capital</b>	Current assets - Current liabilities (MBs)	(3,987,644)	-448,954
<b>Short term debt</b>	<u>Short term financial liability</u> Total equity of Sivensa shareholders	0.111	0.073
<b>Total debt</b>	<u>Financial liabilities short and long term</u> Total equity of Sivensa shareholders	0.11	0.07
<b>Return over assets</b>	<u>Annualized net loss attributable to Sivensa shareholders</u> Total assets	-0.42%	-0.96%
<b>Return over equity</b>	<u>Annualized net loss attributable to Sivensa shareholders</u> Total equity of Sivensa shareholders	-0.66%	-1.37%