



FOR ITS IMMEDIATE DISTRIBUTION

SIVENSA REPORTS THE RESULTS OF THE SECOND QUARTER OF THE FISCAL YEAR 2016-2017

CARACAS, APRIL 28, 2017

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 Siderurgica 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 Siderurgico Nacional, S.A." at Banco de Venezuela; and (ii) the occupation of the industrial assets of said subsidiary by the aforementioned State owned company. Such measures were taken in violation of the provisions of the Law of Expropriation for Public or Social Purpose (*Ley de Expropiacion por Causa de Utilidad Publica 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 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



RIF J-000346720

UNOFFICIAL ENGLISH TRANSLATION

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. Later, on April 29, 2016, the referred to Bank, through a letter dated April 27, 2016, notified holders of the 2016 Bonds guaranteed by Sidetur (i) that a new event of default had occurred due to the non-payment of the last principal installment corresponding to such bonds, payable on April 20, 2016, and (ii) 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. Later, on April 29, 2016, the referred to Bank, through a letter dated April 27, 2016, notified holders of the 2016 Bonds guaranteed by Sidetur (i) that a new event of default had occurred due to the non-payment of the last principal installment corresponding to such bonds, payable on April 20, 2016, and (ii) 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.

On February 11, 2014, the First Contentious Administrative Court 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. In the referred claim, the Office of the Attorney General, also requested an innominated judicial measure of "Occupation, Possession, Use and Administration" over Sidetur's real property, movable assets, consumable inventories, warehouses, vehicles and improvements, which was granted by the aforementioned Court.

On June 7, 2016, the Political Administrative Chamber of the Supreme Court published a judgment in the website of the Supreme Court of Justice, whereby said Chamber accepted jurisdiction, declined in its favor by the Superior Court of Civil and Contentious Administrative Matters for the Midwestern Region, to hear and decide upon the lawsuit filed by Banco Nacional de Credito ("BNC") against the subsidiary Sidetur, for the purpose of instructing or condemning payment (in Bolívares) of capital and interest of a Promissory Note issued on July 13, 2012, by the referred to subsidiary to the order of such bank, for three million dollars (USD 3,000,000.00).



RIF J-000346720

UNOFFICIAL ENGLISH TRANSLATION

On December 14, 2016, the Political Administrative Chamber of the Supreme Court issued a judgement dismissing the appeal filed by the attorneys of Sidetur against judgement No. 2012-0039 of January 26, 2012, issued by the Second Court of the Contentious Administrative Jurisdiction, with respect to the annulment lawsuit filed against Administrative Providence No. 422 of November 2, 2010 issued by the extinct INDEPABIS.

During the month of January 2017, two (2) judgments issued by the Substantiation Court of the Political Administrative Chamber were published in the web page of the Supreme Court of Justice. In the first one, dated January 11, 2017, a lawsuit for collection of bolivars filed by the company Somecil Guayana, C.A., against Sidetur, was admitted; and in the second one, dated January 24, 2017, an amendment of the lawsuit filed by Banco Nacional de Credito, against the referred to subsidiary was admitted (see to last paragraph of the previous page).

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 Sidetur subsidiary and its subsidiary companies on a consolidated basis.

The events occurred in late October 2012, specifically the occupation, possession and control by the Complejo Siderúrgico Nacional, S.A. company, of the industrial assets utilized by Sidetur in its operations and activities aimed at the production and marketing of steel products, have caused that, as of the date of said occupation, Sidetur has not been able to continue with the same operations and activities with the assets that were occupied. Consequently, on March 31 2017 and 2016, Sivensa presents in the consolidated balance sheet, separately from the rest of the assets and liabilities, the assets that were occupied, other assets object of appropriation and the liabilities considered as assumed by the Complejo Siderúrgico Nacional, S.A. State company, which are classified as kept for sale and presenting them as an investment available for sale in the account “Net assets in process of expropriation and assets subject to appropriation”.

The Sidetur’s industrial assets 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



RIF J-000346720

UNOFFICIAL ENGLISH TRANSLATION

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 bodies and regulators, informing them about the events at the end of October 2012.

On November 2016, according with the applicable accounting standards, the management obtained an updated version of the appraisal values (depreciated replacement cost) of the Sidetur's real property, machinery, equipment and installations, realized in September 2009. Such updating indicates that the total amount of the property, plant and equipment at September 30, 2016 is Bs. 272,619 million, an amount higher than the carrying value of the net assets in process of expropriation and assets object of appropriation, which is Bs. 14,142 million, at March 31, 2017.

PRESENTATION OF THE FINANCIAL STATEMENTS

On August 2015, SUNAVAL issued the Circular Letter No. 3045, by means of which it decided to instruct the securities issuers object of public offering in accordance with the Securities Market Law, to differ the obligation to present their financial statements adjusted for inflation established in the Resolution no. 254-2008, and instead to present them at historic values with their corresponding explanatory notes. Consequently, the Sivensa's consolidated financial statements for March 31, 2016 and issued on April 29, 2016, were presented at nominal values, according to the standards and instructions of the SUNAVAL for that moment.

On July 27, 2016, the SUNAVAL, published Circular No. 0744, through which it instructed all public offering issuers of securities, under the Securities Market Law, to present their inflation-adjusted financial statements based on the index published by the BCV, corresponding to the year 2015 and, as of January 2016, to submit the financial statements based on the inflation-adjusted figures using the last available index published by the BCV. Because the last index published by the BCV is the one corresponding to December 31, 2015. Sivensa registered the effects of inflation at December 31, 2015 and measured the quantities expressed in terms of purchase power at that date, as the base for the carrying amounts of the items in its subsequent financial statements. Accordingly, the



RIF J-000346720

UNOFFICIAL ENGLISH TRANSLATION

Sivensa's consolidated financial statements at March 31, 2017 and 2016, are presented in accordance with the SUNAVAL rules and instructions.

The modifications contained in the SUNAVAL Letters (*Circulares*) in the two foregoing paragraphs were considered as a change in an accounting policy and hence, said change were applied retrospectively, to restructure the consolidated financial statements at March 31, 2016, previously reported.

The consolidated results in bolivars of the fiscal quarter ended on March 31, 2017 and 2016, referred to in this report, are expressed in constant values at December 31, 2015. The effect of the inflation from January 2016 onwards, must be recognized in the results of the following period, at the moment when the INPC are published by the BCV.

Considering the current exchange agreements in force, the transactions and balances in foreign currency of Sivensa and its affiliates (whose functional currency is the bolivar), mainly constituted by US dollars, have been converted into bolivars, utilizing the exchange rate in force at the date of the transaction and the closure rate, respectively, according to the provision of the IAS 21. At March 31, 2017 and 2016 the exchange rate utilized was mainly the SIMADI exchange rate of Bs. 709.7475 and 272.9123 per 1US\$, respectively, because the management considers that these rates reflect the best estimate of the expectation of the future flows of bolivars that must be expended or received, to extinguish the obligations or to realize the assets in foreign currency at said dates, utilizing legal mechanisms permitted by the State or Laws of the Bolivarian Republic of Venezuela. The differences in exchange mainly resulting from the fluctuation of the bolivar in relation to the Dollar upon translating the balances in foreign currency in March 2017 and 2016, are presented in the results of the fiscal quarters ended on said dates, in the account "Exchange loss, net".

The translation into bolivars of the consolidated financial statements of the IBH affiliate, elaborated in US dollars, which is its functional currency, have been realized according to the IAS 21, as applicable to an entity whose functional currency and presentation currency are different, as follows. The assets and liabilities are translated at the year-end exchange rate and the equity at the historical exchange rates. On March 31, 2017 and 2016, the quarter-end exchange rate used was the SIMADI's exchange rate of Bs. 709.7475 and 272.9123 per 1US\$, respectively. The exchange differences arising from the translation into bolivars of the consolidated financial statements of the



RIF J-000346720

UNOFFICIAL ENGLISH TRANSLATION

affiliate IBH, elaborated in US dollars, at March 31, 2017 and 2016, net of minority interest, are presented in the consolidated balance sheet, mainly in the account "Translation Adjustment". The translation result of affiliates abroad at March 31, 2017 and 2016 was of Bs. 431,444.64 million and Bs. 160,886.70 million, respectively, which represents an increase in the consolidated equity of the Sivensa's shareholders of Bs. 270,557.94 million.

ANALYSIS OF THE QUARTER RESULTS

The Sivensa's consolidated results mainly include the operations of the filial Sidetur and the operations of the filial IBH, corresponding to the three-month periods ended on March 31 2017 and 2016.

The most significant aspects of the consolidated income statement are described hereunder:

- a. GAIN (LOSS) IN OPERATIONS: in the period January-March 2017, the Sivensa's gain in operations was Bs. 144.8 million compared to the loss of Bs. 66.4 million during the same period of 2016. The rise of Bs 211.2 million is mainly due to the increase of the account "Other operating income, net" in Bs. 282.4 million. The growth of this account was partially compensated with an increase of Bs. 71.2 million in the account "General and administrative expenses, primarily because i) during the quarter ended on March 31, 2017 the expenses denominated in US dollars (including the expenses of the Subsidiary IBH), were translated into Bolivars utilizing the SIMADI rate of exchange published by the BCV, during said date, which were higher than the ones utilized during the previous quarter (693,3732 y 210,2049 Bs. per 1US\$, on average for the quarters ended March 31, 2017 and 2016, respectively); and ii) the inflationary effects on the expenses of Sivensa and its subsidiaries in Venezuela, denominated in Bolivars.
- b. LOSS BEFORE TAX: During the first quarter of the fiscal year 2017, this loss was Bs. 338.4 million compared to the loss of Bs. 126.7 million in the same period of the previous year. This negative variation of Bs. 211.7 million is mainly explained by the net of: i) the increase of the gain in operations as explained in the previous paragraph; ii) the increase of Bs. 1,032.2 million in the financial expenses of the year primarily denominated in US dollars; iii) the increase of Bs. 793.9 million in the financial income of the year mainly denominated in US dollars iv) the negative variation of Bs. 184.6 million in the account "Exchange loss, net" concerning the one



RIF J-000346720

UNOFFICIAL ENGLISH TRANSLATION

registered in 2016; all these variations are caused by the increase in the applicable rate of exchange (Bs. per 1 US\$) to translate into Bolivars the transactions and balances denominated in US Dollars, utilizing the exchange agreements in force during the quarters ended on March 31, 2017 and 2016, as explained above.

- c. NET LOSS OF THE QUARTER: In the three-month period ended on March 31 2017, this loss was Bs. 338.2 million compared to the loss of Bs. 126.7 million in the same period of the previous fiscal year. This increase of Bs. 211.5 million is accounted for the pretax loss commented above. The net loss of the quarter includes the results of the operations of Sivensa and its affiliated companies before the participation of the minority shareholders, primarily in the net results of the filial IBH.
- d. QUARTER NET LOSS ATTRIBUTED TO THE SIVENSA'S SHAREHOLDERS: This result in the second quarter of the fiscal year 2017 was a loss of Bs. 342.6 million compared to the loss of Bs. 112.9 million registered in the same period of the previous year. This increase of Bs. 229.7 million is mainly explained by the pretax loss already commented. The net loss of the quarter attributed to the Sivensa's shareholders includes the results of the Sivensa and affiliated companies' operations, mainly after the participation of 31.46% of the IBH's minority shareholders in the net results if said affiliate for the three-month periods ended on March 31, 2017 and 2016. In said processes, that participation was a profit for the minority shareholders of Bs. 4.4 million and a 13.8 million loss, respectively.

INTERNATIONAL BRIQUETTES HOLDING (IBH)

NATIONALIZATION 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



RIF J-000346720

UNOFFICIAL ENGLISH TRANSLATION

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").

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., 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.



RIF J-000346720

UNOFFICIAL ENGLISH TRANSLATION

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 December 11, 2014, the aforementioned Chamber of the Supreme Court of Justice, as a result of the request for joint trials presented by the representative of the State, suspended the trial hearings schedule for both cases. To date, there has been no judicial decision with respect to the judicial recourses for annulment of Acquisition Decrees.

As of the date of this report, there has been no judicial decision with respect to the request for a joint trial and, consequently, regarding the merits of the judicial recourses for annulment of Acquisition Decrees.

OTHER BUSINESSES

After the nationalization of the Orinoco Iron and Venprecar affiliates, IBH has continued with its international marketing of products addressed to the industrial sectors.

SOCIAL RESPONSIBILITY

During the second quarter of 2017, the multi-factor impact has continued in the business sector, which has provoked a lower demand for the formation of the human talent and consulting activities. Despite these big difficulties, Fundametal has been overcoming all the obstacles and it keeps its rhythm of operations in the different venues, which we resume hereunder:

PROFESSIONAL FORMATION: 222 courses were dictated with a total of 4,417 participants and 35,336 man-hours in training. Workers from 119 public and private enterprises participated in these activities.

NATIONAL PROGRAM OF LEARNING: During this period, two (02) cohorts from the commercial area and three (02) from the industrial area joined the program, for a total of 68 new apprentices.



RIF J-000346720

UNOFFICIAL ENGLISH TRANSLATION

With these additional cohorts, the group of youths enrolled in this program amounts to 406. During this quarter three (03) cohorts graduated in the industrial area for a total de 43 apprentices.

UNIVERSITY PROGRAMS: In the institutional agreement subscribed with the Universidad Panamericana del Puerto, a population of 588 students is registered, from which 129 belong to the Faculty of Engineering and 459 belong to the Faculty of Economic and Social Sciences.

THE BOARD OF DIRECTORS

Caracas, April 28, 2017

Contact: Siderúrgica Venezolana "Sivensa", S.A.
Investor Relations
Att.: Lic. Carlos Fonseca
Telephone: +58 (212) 707.61.32 Fax: +58 (212) 707.63.52
E-mail: carlos.e.fonseca@sivensa.com



RIF J-000346720

UNOFFICIAL ENGLISH TRANSLATION

**SIDERURGICA VENEZOLANA "SIVENSA", S.A AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
MARCH 31, 2017 AND 2016**

(Thousands of constant bolivars)

(Based on the last National Consumer Price Index published by the Central Bank of Venezuela)

	2017	2016
Assets		
Non-current Assets		
Available for-sale investment		
Investments in companies under "nationalization"	640,945,338	246,456,474
Net assets in process of expropriation and assets subject to appropriation	14,142,473	14,136,000
Accounts receivable from companies under "nationalization", net	68,328,267	24,622,931
Property, plant and equipment, net	333,399	350,380
Other non-current assets	438,593	360,966
	<hr/>	<hr/>
Total non-current assets	724,188,070	285,926,751
Current assets		
Prepaid expenses and other current assets	63,027	51,310
Advances to suppliers	213,971	8,489
Accounts receivables		
Other accounts receivable	9,287,741	3,932,367
Related companies	419,301	20,854
Investments in trading securities	5,123,197	1,948,725
Cash and cash equivalents	1,918,379	711,753
	<hr/>	<hr/>
Total current assets	17,025,616	6,673,498
Total assets	<hr/>	<hr/>
	741,213,686	292,600,249
Equity and Liabilities		
Equity		
Capital stock		
Nominal	105,049	105,049
Inflation adjustment	15,036,681	15,036,681
Share premium	1,456,387	1,456,387
Net effect of combination (merger) of subsidiaries	259,622	259,622
Surplus from revaluation associated with investments in companies under "nationalization"	304,318	304,318
Difference between fair value and cost of shares of subsidiary	723,650	723,650
Translation adjustment	431,444,636	160,886,701
Retained earnings (deficit)		
Legal reserve	1,515,757	1,515,757
Unappropriated (deficit)	(1,223,811)	1,548,600
	<hr/>	<hr/>
Total equity of Sivensa shareholders	449,622,289	181,836,765
Non-controlling interests	201,788,522	77,577,895
	<hr/>	<hr/>
Total equity	651,410,811	259,414,660
Liabilities		
Non-current liabilities		
Accrual for length-of-service benefits, net of advances and loans to employees	17,936	3,457
Other long-term liabilities and accruals	24,203	40,669
Deferred income tax	1,170,918	1,095,044
	<hr/>	<hr/>
Total non-current liabilities	1,213,057	1,139,170
Current liabilities		
Short-term bank loans	4,204,544	1,616,732
Financial obligation	52,341,679	20,125,083
Profit sharing, vacation bonus and other employee accruals	18,868	6,469
Taxes	69,033	69,033
Other liabilities and accruals	30,736,471	9,782,830
Accounts payable		
Suppliers	516,744	177,104
Related companies	702,479	269,168
	<hr/>	<hr/>
Total current liabilities	88,589,818	32,046,419
Total liabilities	<hr/>	<hr/>
	89,802,875	33,185,589
Total equity and liabilities	<hr/>	<hr/>
	741,213,686	292,600,249



RIF J-000346720

UNOFFICIAL ENGLISH TRANSLATION

**SIDERURGICA VENEZOLANA "SIVENSA", S.A AND SUBSIDIARIES****CONSOLIDATED INCOME STATEMENT****QUARTERS ENDED MARCH 31, 2017 AND 2016**

(Thousands of constant bolivars)

Based on the last National Consumer Price Index published by the Central Bank of Venezuela

	2017	2016
General and administrative expenses	(202.004)	(130.747)
Other operating income, net	346.751	64.367
Operating gain (loss)	<u>144.747</u>	<u>(66.380)</u>
Financial expenses	(1.431.561)	(399.373)
Financial income	1.147.845	353.919
Exchange loss, net	(199.403)	(14.816)
	<u>(483.119)</u>	<u>(60.270)</u>
Loss before tax	(338.372)	(126.650)
Income tax		
Deferred	182	-
Net loss of the quarter	<u>(338.190)</u>	<u>(126.650)</u>
Net loss attributable to Sivensa shareholders		
Sivensa shareholders	(342.624)	(112.867)
Non-controlling interest	4.434	(13.783)
Net loss for the quarters	<u>(338.190)</u>	<u>(126.650)</u>



RIF J-000346720

UNOFFICIAL ENGLISH TRANSLATION

SIDERURGICA VENEZOLANA "SIVENSA", S.A AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT
SEMESTERS ENDED MARCH 31, 2017 AND 2016

(Thousands of constant bolivars)

Based on the last National Consumer Price Index published by the Central Bank of Venezuela

	2017	2016
General and administrative expenses	(740,554)	(292,640)
Other operating income, net	509,227	129,800
Operating loss	<u>(231,327)</u>	<u>(162,840)</u>
Financial expenses	(2,724,234)	(811,749)
Financial income	2,274,264	723,785
Exchange loss, net	(266,693)	(12,600)
Gain from net monetary position	<u>-</u>	<u>134,611</u>
Loss before tax	<u>(716,663)</u>	<u>34,047</u>
Loss before tax	(947,990)	(128,793)
Income tax		
Deferred	365	183
Net loss of the quarter	<u>(947,625)</u>	<u>(128,610)</u>
Net loss attributable to Sivensa shareholders		
Sivensa shareholders	(967,087)	(106,620)
Non-controlling interest	<u>19,462</u>	<u>(21,990)</u>
Net loss for the periods	<u>(947,625)</u>	<u>(128,610)</u>



RIF J-000346720

UNOFFICIAL ENGLISH TRANSLATION

SIDERURGICA VENEZOLANA "SIVENSA", S.A AND SUBSIDIARIES
CONSOLIDATED FINANCIAL INDICATORS
AS OF MARCH 31, 2017 AND 2016

		2017	2016
Solvency	<u>Current assets</u>	0.19	0.21
	Current liabilities		
Working capital	Current assets - Current liabilities (MBs)	(71,564,202)	(25,372,921)
Short term debt	<u>Short term financial liability</u>	0.13	0.12
	Total equity of Sivenza shareholders		
Total debt	<u>Financial liabilities short and long term</u>	0.13	0.12
	Total equity of Sivenza shareholders		
Return over assets	<u>Annualized net loss attributable to Sivenza shareholders</u>	-0.26%	-0.07%
	Total assets		
Return over equity	<u>Annualized net loss attributable to Sivenza shareholders</u>	-0.43%	-0.12%
	Total equity of Sivenza shareholders		