



Siderúrgica Venezolana "SIVENSA" S.A.
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FOR IMMEDIATE DISTRIBUTION

**SIVENSA REPORTS MOST RELEVANT EVENTS FOR THE THIRD QUARTER OF
FISCAL YEAR 2014 AND RESULTS FOR THE TWO MONTH PERIOD ENDED ON
MAY 31, 2014**

CARACAS, July 30, 2014.

It is informed hereby that, at this time, we are unable to present the consolidated financial statements of Sivensa at June 30, 2014, and therefore, to effectuate and publish the analysis of the consolidated results of Sivensa for the quarter ending on such date, due that Central Bank of Venezuela has not published, as of the date hereof, the Consumer Price National Index corresponding to the month of June 2014 required for the preparation and presentation of such financial statements according to International Financial Reporting Standards (IFRS) which are of mandatory application by the entities regulated by the National Superintendency of Securities (SNV). Once such index shall have been published by the Central Bank of Venezuela, we will proceed to issue and publish the consolidated financial statements of Sivensa adjusted by inflation at June 30 2014. Notwithstanding the foregoing, acknowledging the importance of keeping the shareholders and investors in general informed about the Company's results since the last Quarterly Report, we have deemed appropriate and convenient to make available for them, the consolidated financial statements of Sivensa at May 31, 2014 and the analysis of the consolidated results for the April-May period of 2014.

As we have been reporting, on October 31, 2010, the President of the Republic announced the expropriation of plants and other industrial assets owned by the subsidiary Siderúrgica del Turbio, S.A. "Sidetur" ("Sidetur"). In the Official Gazette No. 39,544, dated November 3, 2010, Presidential Decree No. 7,786 dated November 2, 2010, was published.

In late October 2012, as promptly informed the National Executive adopted the following measures: (i) 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 Banco de Venezuela; and (ii) the occupation of the industrial assets of the said subsidiary by the aforementioned State owned company. Those measures were taken without considering the provisions of the Law of Expropriation for Public or Social Purpose (*Ley de Expropiación por Causa de Utilidad Pública o Social*) 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 MPPI, dated October 25, 2012, was published, which designates 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" issued by the Institute for the Defense of the People's Access to Goods and Services ("INDEPABIS").

On December 6, 2012, the attorneys of the subsidiaries Sidetur and 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 in 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 fiduciary or representative of its bond holders about the events that occurred on October 26, 2012 (order of transfer 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 collection centers by "Complejo Siderúrgico Nacional, S.A.", not in accordance with to 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 fiduciary 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." on October 29, 2012, by occupying and taking possession of the real property and industrial assets that comprise the six (6) industrial plants and eleven (11) collection centers owned by such subsidiary. The case was assigned to the Second Court for the Contentious Administrative Jurisdiction and was admitted on April 22, 2013. To date, this trial is at the sentencing stage.

On April 17, 2013, the attorneys of Sidetur filed a formal complaint (administrative pre-trial) before the Superintendency of the Banking Institutions Sector (Superintendencia de Instituciones del Sector Bancario "SUDEBAN"), for damages inflicted to the subsidiary Sidetur due to the non-contractual liability of such governmental agency for the instructions given to various financial institutions on October 26, 2012, to immediately transfer all cash amounts deposited (and 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 Superintendence has not issued any statement regarding such claim.

On July 20, 2013, due to the measures taken by the National Executive on 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 Banco de 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 in its capacity of trustee, notified the bondholders and 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 non-replenishment of funds to the Reserve Account, (iii) that the issuer had failed to pay the interest due on July 20, 2013, which shall become an event of default if such payment does not occur within the following 30 days, and (iv) that, for the moment, it would take no further action unless certain holders, defined as "Required Noteholders", would require it to take action, noting that acting following any request

or instruction, such holders should furnish to the trustee, security or indemnity reasonable satisfactory to it against the costs, 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.

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 briquette 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").

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 unstipulated 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 SIDETUR SUBSIDIARY OPERATIONS

The consolidated financial statements of Siderúrgica Venezolana "Sivensa", SA, included in this report include the accounts of the subsidiary Sidetur and its subsidiaries on a consolidated basis.

The events occurred on late October 2012, specifically the occupation, possession and control by the company "Complejo Siderúrgico Nacional, S. A.", of the industrial assets used by Sidetur to conduct its operations and activities aimed to manufacture and sale steel products, meant that from the date of the occupation, the Sidetur subsidiary has been unable to conduct such operations and activities with the occupied assets. Consequently, the net results of the aforementioned steel operations, from October 1, 2012 to the date in which the assets were occupied, are presented in the consolidated statement under "Net income from discontinued operations" and the remaining operations of Sidetur and its subsidiaries are presented as part of the continuing operations.

The industrial assets that were seized, other seized assets and the liabilities that should be assumed by the state-owned company "Complejo Siderúrgico Nacional, S.A.", correspond to property, plant and equipment, inventory, cash in national currency, commercial accounts receivable, net of accounts payable to providers and other suppliers, advances received from customers, profit sharing bonuses, vacation bonuses, length-of-service benefits and other employee accrual payables. The balances as of the date of the occupation are presented on a consolidated balance sheet account called "Net Assets in expropriation process and other appropriated assets". Also, the remaining assets and liabilities of Sidetur, including the financial debt must be realized or settled by Sidetur, which has sent communications to creditors, governmental agencies and regulators, reporting of these events of late October 2012.

FINANCIAL STATEMENTS REPORT

The attached consolidated financial statements of Sivensa are prepared based on the accounting practices indicated by the National Secutiry Commission NSC, currently National Securitu Superintendence NSV, which are based on IAS and IFRS, as set forth in Resolution No. 254-2008 issued on December 2008 by the Board of the National Securities Commission, currently (SNV).

On February 8, 2013 through the Exchange Agreement No. 14, the National Executive agreed with the Central Bank of Venezuela to a change in the national exchange rate regime from February 9, 2013 on, from the official fixed exchange rate 4.30 bolivars per U.S. dollar to 6.30

bolivars per U.S. dollar. Furthermore, the President of the Central Bank of Venezuela (BCV) announced at a press conference on February 8, 2013, the elimination of Transaction System for Foreign Currency Denominated Securities (SITME), which became effective as from the day of announcement.

On July 3, 2013, was published in the Official Gazette No. 40,199 of the Bolivarian Republic of Venezuela of July 2, 2013, the Exchange Agreement No. 22, by which the Complementary Currency Management System (SICAD), to be administered by the Central Bank and will serve in a complementary manner, requests for foreign currency exchange required to meet the needs of the national economy. The exchange rate published by the Central Bank on its website, resulting from the allocation of foreign currency through SICAD, corresponding to the auctions held during the weeks from April 7, 2014 to June 17, 2014 was Bs. 10.00/US\$.

Later, in the Official Gazette No. 40,368 of the Bolivarian Republic of Venezuela of March 10, 2014, the Exchange Agreement No. 27, was published in which the Executive agreed with the Central Bank, and through the authorized Alternative Exchange System currencies (SICAD II) the buying and selling, in local currency, of cash and securities denominated in foreign currency, issued by the Republic, its decentralized entities or any other entity, public or private, domestic or foreign, that are registered and trade in international markets. According to the provisions of Article 14 of that agreement, the Central Bank shall publish the reference exchange rate, corresponding to the weighted average exchange rate of traded transactions during each day. In this sense, the weighted average exchange transactions traded through SICAD II to May 31, 2014, published by the Central Bank, was 49.9738/US\$

Whereas exchange rate agreements referred to in the preceding paragraphs, transactions and balances in foreign currency of Sivensa and its subsidiaries (whose functional currency is the bolivar), consisting mainly of dollars of the United States of America, have been translated into bolivars using the exchange rate at the date of the transaction and the closing exchange rate, respectively in accordance the International Accounting Standard No. 21 (IAS 21). As of May 31, 2014 and 2013 the exchange rate used was the closing exchange rate of SICAD II of Bs 49.9738/US\$ and the official exchange rate of Bs 6.30 / U.S. \$, respectively, because the management believes that these rates reflect the best estimate of the expectations of future cash flows that would be needed to either meet the obligations or realize the assets in foreign currency at those dates, using the legal mechanisms permitted by the State and laws of the Bolivarian Republic of Venezuela¹. The Exchange differences resulting primarily from fluctuations of the bolivar against the dollar in translating foreign currency balances as of May

¹ See details in Notes 13 and 21 of the Report of Independent Certified Public Accountants and in the Consolidated Financial Statements of Sivensa and its subsidiaries for September 30, 2013 and 2012 in respect to the amended and modified loan contract and foreign currency respectively. This report is posted on our website www.sivensa.com.

31, 2014 and 2013 are presented in the results of the quarters ended on such dates, in the "Exchange rate Gain (loss) account , net ".

In the month of June of 2014, a net foreign exchange gain of about Bs 35 million will be recorded as a result of the valuation of other non-current assets denominated in U.S. dollars at the exchange rate of Bs SICAD II 49.9785 / U.S. dollar \$. The effect of such gain together with the effects of other transactions recorded during that month will be presented in the results for the quarter ended June 30, 2014, once Sivensa's consolidated financial statements adjusted for inflation to this latter date are published, as indicated earlier in this report.

The translation into bolivars of the consolidated financial statements of the subsidiary IBH, made in U.S. dollars which is its functional currency, has been prepared in accordance with IAS 21, as applicable to an entity whose functional and presentation currency are different, as follows: Assets and liabilities are translated at the closing exchange rate and equity at historical exchange rates. As of May 31, 2014 and 2013 the closing exchange rate used was the closing exchange rate of Bs SICAD II 49.9738/US\$ and the official exchange rate of Bs 6.30 / U.S. \$, respectively, because the management believes that these rates reflect the best estimate of the expectations of future cash flows in Bolivars that would be received on those dates, using the legal mechanisms permitted by the state and laws of the Bolivarian Republic of Venezuela. Exchange differences arising from the translation into bolivars of the consolidated results of IBH financial statements prepared in U.S. dollars as of May 31, 2014 and 2013, net of minority interests are presented in the equity of the consolidated balance sheet on the account "translation adjustment". The effect of the translation adjustment resulting from fluctuations of the bolivar against the dollar during the quarters ended May 31, 2014 and 2013 was an increase in the consolidated equity of the Sivensa's shareholders in Bolivars Bs 26,817.92 million and Bs 980.04 million, respectively

The adjustment factor used is the Consumer Price National Index (INPC), which was 11.73%, during the two (2) month period, ended May 31st 2014; 38.50% for the eight (8) month period ended on May 31st, 2014 and 60.91% during the twelve (12) month period ended on May 31st 2014.

The consolidated results in bolivars of the two month period ended May 31st 2014 and 2013 which are covered in this report were adjusted for inflation as of May 31st 2014², except for the results of the International Briquettes Holding (IBH) subsidiary whose functional currency is the

² The fiscal year 2014 covers the period of twelve months from 1 October 2013 until 30 September 2014. The fiscal year 2013 covers the period of twelve months from 1 October 2012 until 30 September 2013. The results of this report correspond to the two months period beginning on April 1, 2014 and ended on May 31, 2014; these results are compared with the results of the same two months of fiscal year 2013 beginning on April 1, 2013 and ended on May 31, 2013.

U.S. dollar therefore are not adjusted for inflation³.

TWO MONTH PERIOD RESULTS ANALYSIS

Continuing operations

Sivensa's consolidated results for continuing operations mainly include the operations of the Sidetur and IBH subsidiaries, for the two month period ended May 31st, 2014 and 2013⁴.

Here are the most significant aspects of the consolidated results statement:

Operating Income (loss): In the two month period April-May 2014, Sivensa had an operating loss of Bs 8.56 million compared to income of Bs 37.56 million in the same period during 2013. The negative variation of Bs 46.12 million is mainly due to the decrease in "Other operating income, net" in Bs 44.81 million. The decrease in this item during the analyzed period is due primarily to profits from the sale a plot of land during the two months of the previous fiscal year April-May 2013

Income (loss) before tax: During the two month period April-May 2014, this loss was Bs 23.91 million compared to income of Bs 6.92 million in the same period last year. This negative variation of Bs 30.83 million is mainly explained by i) the loss in operations during the period mentioned in the previous paragraph, and ii) the negative variation of Bs 7.09 million of interest and other financing expenses net; these negative movements were partially offset by the decrease of Bs 18.52 million in monetary loss for the period April-May 2014 compared with the same period of 2013.

Net Income (loss) from continuing operations: During the two month period ended May 31, 2014, this loss was Bs 23.88 million compared to income of Bs 8.75 million in the same period last fiscal year. This negative variation of Bs 32.63 million during the period is mainly due to the loss before tax discussed above.

Discontinued Operation

Sivensa's consolidated results from discontinued operations for the two month period ended May 31, 2014 refers to the results of operations and activities for the manufacture and sale of steel products of the subsidiary Sidetur, until the date they were seized by the state owned

³ The consolidated results translated into bolivars for IBH, and included in the consolidated results for the two month period ended May 31, 2013, were adjusted for inflation as of May 31, 2014 for comparative purposes.

⁴ The consolidated financial statements of Sivensa as of May 31, 2013 were adjusted for inflation as of May 31, 2014 for comparative purposes.

company "Complejo Siderúrgico Nacional, S.A.", which are presented in the account "Net income from discontinued operations".

Net income from discontinued operation: In the period April-May 2014, no results from discontinued operations are recorded. During the same period in fiscal year 2013 a profit of Bs 9.88 million was recorded.

Net Income (loss) for the period: These results in the period April-May 2014 was a loss of Bs 23.88 million compared to profits of Bs 18.63 million in the same period last year. Net income (loss) for the period includes the results of continuing and discontinued operations of Sivensa and its subsidiaries for two month period ended May 31, 2014 and 2013, before the interest of minority shareholders mainly in the net results of IBH, on those dates.

Net income (loss) for the period attributable to Sivensa's shareholders

This result during the period April-May 2014 was a loss of Bs 20.88 million compared to income of Bs 20.47 million recorded in the same period last year. This negative variation of Bs 41.35 million is mainly due to the loss before tax during the period reported compared with the same period in 2013, and that in the period April-May 2013 a profit of Bs 9.88 million in discontinued operations was recorded. Net loss for the period attributable to shareholders of Sivensa includes results from continuing and discontinued operations of Sivensa and its subsidiaries, after the participation of 31.46% of the minority shareholders of IBH in the net results of the subsidiary for the two month period ended May 31, 2014 and 2013. In such periods, such participation was a loss to the minority shareholders of Bs Bs 1.41 million and 1.83 million, respectively.

INTERNATIONAL BRIQUETTES HOLDING (IBH)

NACIONALIZATION OF VENPRECAR AND ORINOCO IRON SUBSIDIARIES

From the date of the announcement of the nationalization of Venprecar and Orinoco Iron in 2009 and until the first semester of 2013, the efforts of the Board of Directors and management of IBH to negotiate and reach an agreement with the Government in relation to the fair price of such companies have been unsuccessful. For such reason, 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 Venprecar and Orinoco Iron, whose operational control and management were unilaterally and exclusively assumed by the Venezuelan State, without complying with the procedure set forth in the Law of Expropriation for Public or Social Purpose, nor having paid for the timely, fair and integral compensation. As of this date, this Ministry has not issued any statement regarding that request

As indicated in the first part of this Quarterly Report, in the Official Gazette of the Bolivarian Republic of Venezuela No. 6,119, Extraordinary, dated December 19, 2013, appeared published the Decrees issued by the Presidency of the Republic of even date, whereby the movable and immovable properties and improvements used for the operation of Venprecar and Orinoco Iron, respectively, were affected to expropriation for the execution of the work mentioned in the corresponding Decree.

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 Expropriation 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.

Subsequently, within the timeframe set forth in Article 22 of the Law of Expropriation for Public or Social Purpose 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 Expropriation 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 Expropriation Decrees.

SUBSEQUENT EVENTS

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

OTHER BUSINESS

After the nationalization of the Orinoco Iron and Venprecar affiliates, IBH continued its international marketing business of products for industrial sectors.

SOCIAL DEVELOPMENT COMMITMENT

During the period April-June 2014, the Center for Applied Knowledge, FUNDAMETAL maintained on all its sites, educational programs designed to improve professional training. During the quarter, the social actions to further contribute to improvements in the quality of life of the communities in which it has influence, remained at the sites of Valencia and Guayana, about 5.520 hours of social action were spent by apprentices of FUNDAMETAL supporting different educational entities located in areas close to the Carabobeña and Guayanesa Sivensa's offices.



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

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

	2014	2013
Assets		
Non-current Assets		
Available for-sale investment		
Investments in companies under "nationalization"	45.129.406	9.154.633
Net assets in process of expropriation and assets subject to appropriation	3.580.601	3.559.072
Accounts receivable from companies under "nationalization", net	3.904.745	726.995
Property, plant and equipment, net	164.990	169.617
Other non-current assets	51.925	109.758
	<hr/>	<hr/>
Total non-current assets	52.831.667	13.720.075
Current assets		
Prepaid expenses and other current assets	2.732	71.938
Inventories	396	396
Advances to suppliers	16.190	41.098
Accounts receivables		
Other accounts receivable	866.081	501.050
Related companies	3.166	5.957
Cash and cash equivalents	663.566	287.641
	<hr/>	<hr/>
Total current assets	1.552.131	908.080
Total asstes	<hr/> <hr/>	<hr/> <hr/>
	54.383.798	14.628.155
Equity and Liabilities		
Equity		
Capital stock		
Nominal	105.049	105.049
Inflation adjustment	3.828.560	3.828.522
Share premium	378.349	378.346
Net effect of combination (merger) of subsidiaries	259.621	417.758
Surplus from revaluation associated with investments in companies under "nation	304.320	489.681
Difference between fair value and cost of shares of subsidiary	723.650	1.164.425
Translation adjustment	27.603.623	934.955
Unappropriated earnings		
Legal reserve	393.772	393.769
Available	922.497	2.249.714
	<hr/>	<hr/>
Total equity of Sivensa shareholders	34.519.441	9.962.219
Non-controlling interests	14.225.492	2.896.948
Total equity	<hr/> <hr/>	<hr/> <hr/>
	48.744.933	12.859.167
Liabilities		
Non-current liabilities		
Bonds payable	-	693.403
Accrual for length-of-service benefits, net of advances and loans to employees	2.068	687
Other long-term liabilities and accruals	87.163	138.645
Deferred income tax	312.444	303.402
	<hr/>	<hr/>
Total non-current liabilities	401.675	1.136.137
Current liabilities		
Short term bank loans	296.045	61.715
Bonds payable	3.683.369	50.687
Profit-sharing, vacation bonus and other employee accruals	2.497	2.673
Taxes	70.976	178.435
Other liabilities and accruals	1.097.292	296.099
Account payables		
Suppliers	31.672	29.772
Related companies	55.339	13.470
	<hr/>	<hr/>
Total current liabilities	5.237.190	632.851
Total liabilities	<hr/> <hr/>	<hr/> <hr/>
	5.638.865	1.768.988
Total equity and liabilities	<hr/> <hr/>	<hr/> <hr/>
	54.383.798	14.628.155



SIDERURGICA VENEZOLANA "SIVENSA", S.A AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT

TWO MONTH PERIOD ENDED MAY 31, 2014 AND 2013

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

	2014	2013
Continued operations		
General and administrative expenses	(14.069)	(12.753)
Other operating income, net	5.504	50.313
Operating income (loss)	<u>(8.565)</u>	<u>37.560</u>
Interest and other financing cost, net	(5.726)	1.371
Exchange gain (loss), net	981	(2.894)
Loss from net monetary position	(10.600)	(29.120)
	<u>(15.345)</u>	<u>(30.643)</u>
Income (loss) before income tax	<u>(23.910)</u>	<u>6.917</u>
Income tax		
Current	-	(6)
Deferred	33	1.841
	<u>33</u>	<u>1.835</u>
Net Income (loss) from continued operations	(23.877)	8.752
Discontinued operations		
Net Income from discontinued operations	-	9.879
Net Income (loss) for the period	<u>(23.877)</u>	<u>18.631</u>
Net Income (loss) for the period attributable to Sivensa shareholders		
Continued operations	(20.883)	10.590
Discontinued operations	-	9.879
Total Sivensa shareholders	<u>(20.883)</u>	<u>20.469</u>
Non-controlling interest on continued operations	(2.994)	(1.835)
Net Income (loss) for the period	<u>(23.877)</u>	<u>18.634</u>



SIDERURGICA VENEZOLANA "SIVENSA", S.A AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT
EIGHT MONTH PERIOD ENDED MAY 31, 2014 AND 2013

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

	2014	2013
Continued operations		
General and administrative expenses	(40.927)	(79.758)
Other operating income, net	26.109	53.549
Operating loss	<u>(14.818)</u>	<u>(26.209)</u>
Interest and other financing cost, net	(13.238)	(4.003)
Exchange loss, net	(11.760)	(139.924)
Loss from net monetary position	(40.122)	(85.244)
	<u>(65.120)</u>	<u>(229.171)</u>
Loss before income tax	<u>(79.938)</u>	<u>(255.380)</u>
Income tax		
Current	(23)	(45)
Deferred	126	(1.743)
	<u>103</u>	<u>(1.788)</u>
Net loss from continued operations	(79.835)	(257.168)
Discontinued operations		
Net income from discontinued operations	-	123.186
Net loss for the period	<u>(79.835)</u>	<u>(133.982)</u>
Net loss for the period attributable to Sivensa shareholders		
Continued operations	(74.698)	(250.606)
Discontinued operations	-	123.186
Total Sivensa shareholders	<u>(74.698)</u>	<u>(127.420)</u>
Non-controlling interest on continued operations	(5.137)	(6.562)
Net loss for the period	<u>(79.835)</u>	<u>(133.982)</u>



SIDERURGICA VENEZOLANA "SIVENSA", S.A AND SUBSIDIARIES
CONSOLIDATED FINANCIAL INDICATORS
AS OF MAY 31, 2014 AND 2013

		2014	2013
Solvency	<u>Current assets</u> Current liabilities	0,30	1,43
Working capital	Current assets - Current liabilities (MBs)	-3.685.059	275.229
Short term debt	<u>Short term financial liability</u> Total equity of Sivensa shareholders	0,115	0,011
Total debt	<u>Financial liabilities short and long term</u> Total equity of Sivensa shareholders	0,12	0,08
Return over assets	<u>Annualized net loss attributable to Sivensa shareholders</u> Total assets	-0,21%	-1,31%
Return over equity	<u>Annualized net loss attributable to Sivensa shareholders</u> Total equity of Sivensa shareholders	-0,32%	-1,92%