

February 16, 2009

AHMSA PRESENTS 2008 FINANCIAL RESULTS

- **EBITDA 39% higher in 4Q and US\$167 million in the year**
 - **Fall in demand in the last months of the year**
 - **Advances contingency plan facing crisis**

Monclova, Coahuila, February 16, 2009.- Altos Hornos de México S.A. de C.V. (“AHMSA” or the “Company”), presented its Fourth Quarter and accumulated 2008 results to the Bolsa Mexicana de Valores (Mexican Stock Exchange).

In the 4Q EBITDA was US\$167 million, 39% higher than the 4Q of 2007. In this manner, total EBITDA in 2008 was US\$967 million, 89% higher than the achieved in 2007.

As a result of the global crisis, sales volume fell 26% in the final months of the year. Even though the company increased 21% the income by sales in the 4Q, obtaining a net income of Ps. one thousand 184 million, an increase of 175% as compared to the one obtained in the last quarter of 2007.

During the year, the accumulated income of the Company before the financing integral result (operative income) was Ps. 7 thousand 110 million (US\$654 million), 172% more than 2007. In the same way net income was Ps. 4 thousand 977 million (US\$457 million), 147% higher than 2007.

As a result of the low demand in the last months of 2008, there was a 7% reduction in the annual sales volume as compared to 2007. Nevertheless, in monetary value AHMSA’s total sales reached Ps. 35 thousand 708 million, 30% higher than the previous year.

These figures were presented to the Board by its Chairman, Mr. Alonso Ancira, who said that as result of the world wide economic contraction, there has been a 50% decrease in orders from clients during the first months of 2009 as compared to 2008, and that by the end of the year is expected a reduction of around 75% in the EBITDA and profits.

“In other time when there was a reduction in the domestic demand, AHMSA was able to export more than 60% of its production, but today, as a result of the global crisis, demand has also disappeared in the export markets”, he said.

The Chairman of the Board said that in order to face these scenario, the Company developed and is applying since last October a restructure of its production and investing programs as well as developing efficiency and saving actions.

As main measures, the Company decided to defer the development of the Fénix Project, canceling around 12 thousand temporary jobs, to reduce the production rhythm and to bring forward the maintenance programs originally scheduled for the second half of 2009. These programs are developed by AHMSA’s personnel as a policy to maintain the base jobs.

Mr. Ancira said a gradual result in the markets is expected as a consequence of the reactivation programs applied by the authorities around the world. Nevertheless, if the market situation doesn’t improve in the next nine months, the Company will need to apply more severe adjustment measures.

“We are living difficult times and we are operating at half of our capacity and everybody must join efforts to reduce the effects of the crisis, but at the same time we must be ready for the new opportunities that the recovery will offer. Our company is ready to retake and increase its production rhythms once the demand gets back to normal”, concluded.

The Company waits for the necessary conditions in the financial environment to retake and conclude the final stage of the liabilities restructure process of the corporation.

The following tables show the main results for 2008 and the Fourth Quarter of the same year compared with 2007:

January-December 2008/2007		Variation		
Concept	Jan-Dec 2008	Jan-Dec 2007		
Steel products sales (metric tons)	2,951,616	3,174,451	-222,835	-7.0%
Sales (millions of pesos)	35,708	27,378	+8,330	+30.4%
Net Income (Loss) (millions of pesos)	4,977	2,015	+2,962	+147.0%
EBITDA (millions of pesos)	10,520	5,724	+4,796	+83.8%
EBITDA (millions of US Dollars)	967.0	512.0	+455.0	+88.9%

October-December 2008/2007		Variation		
Concept	Oct-Dec 2008	Oct-Dec 2007		
Steel products sales (thousand metric tons)	594	798	-204	-25.5%
Sales (millions of pesos)	8,409	6,928	+1,481	+21.3%
Net Income (Loss) (millions of pesos)	1,184	430	+754	+175.2%
EBITDA (millions of pesos)	2,148	1,310	+838	+64.0%
EBITDA (millions of US Dollars)	167.0	120.1	+46.9	+39.1%