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AHMSA PRESENTS 3Q 2008 FINANCIAL RESULTS

- **158% increase in EBITDA and 239% in Net Income**
- **Starts installation of equipments for the Fénix Project**

Monclova, Coahuila, October 23, 2008.- Altos Hornos de México, S.A. de C.V. (“AHMSA” or the “Company”), presented its Third Quarter 2008 Results to the Bolsa Mexicana de Valores (Mexican Stock Exchange). In that period, EBITDA was US\$320 million (Ps. 3 thousand 291 million), an amount 158% higher than the obtained in the same period of 2007.

Net Income in the July-September period was Ps. one thousand 773 million with an increase of 239% as compared to the same period of the last year.

With these results, in the first nine months of 2008, EBITDA was US\$800 million (Ps. 8 thousand 372 million), 104% higher than the same period of 2007. At the same time, Net Income in the first nine months was Ps. 3 thousand 792 million with an increase of 139% as compared with the same period of last year.

AHMSA and all its Subsidiaries had high results with the exception of MICARE whose results were affected by the low prices paid by the Federal Commission of Electricity (CFE) for coal; there is a great difference between the prices paid to MICARE with the price of imported coal by the CFE.

As figures were presented at the Quarterly Board Meeting, Mr. Alonso Ancira, Chairman of the Board, talked about the present economic world conditions, market status and its effects in the operations and future results of the Company. He said that it is not possible to know in this moment how much damage the Mexican economy will suffer, but he explained that companies such as AHMSA that have operative and costs flexibility could take steps more rapidly to confront new market conditions.

He considered that the present situation shows a positive characteristic because Mexico imported up to 40% of the Domestic demand of Flat Products and Mexican Steel Companies have the products and the competitiveness to take that demand and avoid imports.

In particular, AHMSA, as an integrated steel company, has control over the production of its main raw materials; also, its purchases of an important part of goods and services are completed in Mexican pesos, a fact that diminishes the effect for variations in the main currencies.

“Today we can see the results of 15 years in the development of local and national suppliers that provide goods and services to AHMSA, a situation that allow us to have a minor impact in the volatility of monetary markets”.

He also informed that facing demand reduction AHMSA will apply a strategy to rearrange production in its different operation lines and make in advance the programmed maintenance programs in the first quarter of 2009.

That strategy will allow accelerating some works of the Fénix Project and finishing them 30 to 40 days before the programmed date of termination. This will permit to maximize production volumes and to be prepared once demand is reactivated.

Intended to maximize the use of the installed capacity with a 40% increase in the production of liquid steel by the second half of 2009, the self-financed Fénix Project comprises an investment of more than US\$1,400 million.

The Chairman of the Board said that in the next months with more information about the market forecasts, strategies for 2009 will be determined.

During the Board Meeting it was mentioned that as a result of the lack of world financial stability, the process of AHMSA's liabilities restructure process has been slow down in its final stage after the lifting of the suspension of payments in its subsidiaries.

The following table shows the main results for the third quarter of 2008 and 2007.

July-September 2008/2007			Variation	
Concept	Jul-Sep 2008	Jul-Sep 2007		
EBITDA (millions of US dollars)	320	124	+196	+158%
Net Income (Loss) (millions of pesos)	1,773	523	+1,250	+239%
Sales (millions of pesos)	10,380	6,734	+3,646	+54%
	Jan-Sep 2008	Jan-Sep 2007		
EBITDA (millions of US dollars)	800	392	+408	+104%
Net Income (Loss) (millions of pesos)	3,792	1,584	+2,208	+139%