

July 28, 2008

AHMSA PRESENTS 2Q 2008 FINANCIAL RESULTS

- **EBITDA for US\$290.5 million, 87.2% higher than 2Q 2007**
- **99.8% increase in Net Income and 88% in Operating Income**
 - **Starts arrival of equipments for the Fénix Project**

Monclova, Coahuila, July 28, 2008.- Altos Hornos de México, S.A. de C.V. (“AHMSA” or the “Company”), presented its Second Quarter 2008 Results to the Bolsa Mexicana de Valores (Mexican Stock Exchange). In that period, the Company had a net income of Ps. one thousand 134 million with an increase of 99.8% as compared to the same period of the last year.

The EBITDA in the 2Q was US\$290.5 million (Ps. 3 thousand 031 million), an amount 87.4% higher than the obtained in the same period of 2007.

Also, operating income had an increase of 88% with an amount of Ps. 2 thousand 062 million as compared to Ps. one thousand 097 million obtained in the second quarter of 2007.

As figures were presented at the Quarterly Board Meeting, Mr. Alonso Ancira, Chairman of the Board, explained that during the second quarter all production programs and deliveries to clients were 100% completed. That fact, he said, plus the positive steel market prices and the internal savings and efficiency programs allow maximizing results.

The figures achieved in the 2Q of 2008 represent the best historic quarter of Altos Hornos de México, he said.

The Chairman of the Board informed that the Fénix Project has a progress of more than 50% and that the new facilities will start operations by the end of June 2009 as planned. At the moment, he said, civil works are about to conclude and the first equipments for the new production units have already arrived to AHMSA.

The self-financed Fénix Project represent an investment of more than one billion dollars according to the adjustments made to the original budget as a result of the increase in international prices for the acquisition of machinery and equipments.

In order to maximize the use of AHMSA’s installed capacity, the Fénix Project includes as main facilities a Blast Furnace, a new Plate Mill, an Electric Arc Furnace, an Electrical Substation and an Oxygen Plant.

Additionally, to assure the supply of raw materials for the new facilities that will start by June 2009, Minerales Monclova, the company that controls all mining operations of AHMSA and Subsidiaries since last April, is developing new coal and iron ore mines.

The progress of the Fénix Project and training of personnel have created 1,000 new direct jobs and at the same time 5,000 more jobs have been created in local companies due to additional demand of goods and services.

Since the Fénix Project will strengthen the economy of the Central Region of Coahuila, the State Government develops an infrastructure program that includes new roads to improve movement of people and transportation of products of all industries installed in Monclova.

During the Board Meeting it was informed that the positive results that AHMSA and Subsidiaries has had in the last quarters make easy the advance in the liabilities restructure process to agree on the base understanding established with the informal creditors committee.

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

April-June 2008/2007			Variation
----------------------	--	--	-----------

Concept	Abr-Jun 2008	Abr-Jun 2007		
Profit (Loss) from Operations (millions of pesos)	2,062	1,087	+965	+88.0%
Net Income (Loss) (millions of pesos)	1,134	568	+566	+99.8%
EBITDA (millions of US dollars)	290.5	155.1	+135.4	+87.4%
Sales (millions of pesos)	9,370	7,061	+2,309	+32.7%
Direct Jobs	18,252	17,173	+1,079	+6.3%