Earnings Release

AHMSA Announces Second Quarter 2018 Results

Monclova, Coahuila – July 24, 2018 - Altos Hornos de México, S.A.B. de C.V. and Subsidiaries ("AHMSA" or "the Company") (BMV: AHMSA) reported financial results for the second quarter period ended June 30, 2018 (2Q 2018). Financial and operating figures included in this report are unaudited and are based on AHMSA's operating figures and financial statements; they are prepared in accordance with International Financial Reporting Standards (IFRS) and are expressed in U.S. dollars (US$) and metric tons (MT).

2Q 2018 Highlights

- **Adjusted EBITDA** reached US$ 126 million, a 130% increase compared to US$ 55 million in 2Q 2017.
- **Steel Segment Adjusted EBITDA** increased 146% to US$ 143 million from US$ 58 million in 2Q 2017.
    - *Steel shipments were 985 thousand MT, a 6% increase compared to the same period in 2017.*
    - *Average realized prices increased by 24%, due to stronger steel market conditions.*
    - *Net Sales grew 31%, compared to 2Q 2017, driven by higher volume and better price conditions.*
    - *Cost of sales increased by 24% compared to 2Q 2017, mainly due to higher raw material costs and higher raw material usage.*
- **Steam Coal Segment adjusted EBITDA** resulted in a loss of US$ 13 million compared to a US$ 2 million gain in 2Q 2017. This was mainly explained by the following factors:
    - *Adverse exchange rate conditions negatively impacted the pricing formula of the CFE[1] contracts, specifically a 35% price adjustment due to the exchange rate fluctuation.*
    - *Reduction in the monthly shipment volume requested by CFE.*

1. CFE. *Comisión Federal de Electricida*d (Federal Electricity Commission).

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Corporate Update

- AHMSA continues to move forward on a **number of strategic investments**:
    - *During the current month, the Company initiated the operating phase for its **vacuum degassing system**. This new line will allow the Company to access markets that require higher value-added products.*
    - *The progress rate for the Proyecto Artemisa iron ore recovery program is advancing at a solid pace. The system, through which the Company aims to increase iron ore recovery rates and the optimization of concentrate production is expected to be operational year-end.*
    - *AHMSA continues to report progress in the **repair project** of 35 coke ovens at our #1 Coking Battery. As a result, we expect to increase annual coke capacity at this plant by approximately 177 thousand MT.*
- During the month of June, AHMSA concluded new steam coal supply contracts with the CFE, which include a new formula that corrects the former price distortions caused by foreign exchange imbalances. The new contract terms will become effective in January 2019.
- Plans are underway for the re-instatement of AHMSA's shares on the Mexican Stock Exchange (BMV).

Comment from AHMSA's Chairman of the Board:

I present AHMSA's second quarter results, a period in which we experienced increases in total EBITDA as well as Steel Segment EBITDA per ton of 84% and 95% respectively, compared to the same period of the previous year.

We achieved these results despite great uncertainty with regards to NAFTA as well as steel tariff policies. Specifically, the inclusion of Mexico among those countries subject to 25% tariffs under Section 232 of U.S. law represents a challenge for AHMSA. As a result, we are strengthening our internal market position, developing new opportunities, and taking advantage of the fact that Mexico has an approximate deficit of 50% of its own steel consumption.

Recent actions by the United States and the European Union point to greater regionalization of steel trade. In the long term, we believe that policies favoring trade flows will benefit AHMSA, given our cost competitiveness and geographic proximity to growing base of steel consumers.

In the most recent quarter, testing our vacuum degassing system concluded satisfactory, allowing us to initiate the unit's operating phase, which has a capacity of 2 million metric tons per year; these are aimed at high- value added markets such as automobile and electric steel.

The Steam Coal segment continues to produce negative results; however, we are pleased to announce that this past June, the Company signed new supply contracts with the CFE, with a 22% increase in the base price, and 50% exchange rate coverage. This represents the current contract and thus corrects the price distortions due to macroeconomic variable. At the same time, cost reductions are underway at our Steam Coal operations, which together with the new contract terms, should allow us to return to previous profitability levels in 2019.

As part our ongoing efforts to improve corporate governance, we have invited Mr. Mario Espinosa as a new independent board member. We are convinced that his extensive experience he will be significant contributor to the Company. With this nomination, half of the board is comprised of independent members.

Thank you for your interest in AHMSA.

Sincerely,

Alonso Ancira Elizondo
Executive Chairman of the Board

Financial Highlights

	2Q 2018	2Q 2017	%Var
Steel Segment			
Sales volume (thousands of MT)			
Flat products	900	843	6.8
Coated products	38	40	(5.0)
Structural shapes	47	46	2.2
Total volume of shipments	985	929	6.0
Average sales price (US$ per MT)	865	698	23.9
Steel financial highlights (thousands of US$) **Net sales**	857,093	653,820	31.1
Cost of sales	688,692	555,752	23.9
Depreciation	38,072	40,890	(6.9)
Operating costs	40,455	37,896	6.8
Operating (loss) profit	89,874	19,281	366.1
EBITDA	129,954	62,727	107.2
Currency fluctuation	13,213	(4,702)	381.0
Adjusted EBITDA	143,167	58,025	146.7
Steam Coal Segment			
Sales volume (thousands of MT)	1,485	1,778	(16.5)
Average sales price (US$ per MT)	45	49	(7.1)
Steam coal financial highlights (thousands of US$) **Net sales**	67,188	86,641	(22.5)
Cost of sales	83,986	85,467	(1.7)
Depreciation	8,414	6,662	26.3
Operating costs	1,636	2,066	(20.8)
Operating (loss) profit	(26,847)	(7,554)	(255.4)
EBITDA	(14,895)	2,940	395.8
Currency fluctuation	1,943	(657)	(395.8)
Adjusted EBITDA	(12,952)	2,283	(667.3)

Financial Results

Consolidated Results

	2Q 2018	2Q 2017	Var %
Net Sales (thousands of US$)	936,855	749,734	25.0
Cost of sales	786,002	651,730	20.6
Depreciation	47,933	49,027	(2.2)
SG&A	46,537	45,332	2.7
Other (income) expenses	(110)	(210)	47.7
Operating income	56,492	3,855	1,365.5
EBITDA	110,967	60,255	84.2
Currency fluctuation	15,156	(5,359)	382.8
Adjusted EBITDA	126,123	54,896	129.7

Consolidated net sales for 2Q 2018 were US$ 936.9 million, a 25% increase compared to 2Q 2017, as a result of an increase in the average steel price per MT and steel volume sales growth which outweighed effects of the lower sale price of steam coal.

In 2Q 2018, **cost of sales** totaled US$ 786.0 million, an increase of US$ 134.3 million compared to 2Q 2017. This impact on the cost of sales was primarily due to higher costs and consumption of certain raw materials, such as: scrap metal, coke and pellet feed. These were partially offset by lower production costs in the steam coal segment.

Selling, general and administrative expenses (SG&A) for 2Q 2018 represented 5.0% of net sales, an increase of US$ 1.2 million compared to 2Q 2017. This increase was principally due the annual increases in salaries and wages, as well as extraordinary expenses incurred during the period.

As a result, the Company reported an **operating income** of US$ 56.5 million in 2Q 2018, an increase of US$ 52.6 million compared to the operating income reported for 2Q 2017.

Steel Segment

	2Q 2018	2Q 2017	Var %
Net Sales (thousands of US$)	857,093	653,820	31.1
Cost of sales	688,692	555,752	23.9
Depreciation	38,072	40,890	(6.9)
SG&A	40,576	38,105	6.5
Other (income)expenses	(120)	(209)	42.4
Operating income	89,874	19,281	366.1
EBITDA	129,954	62,727	107.2
Currency fluctuation	13,213	(4,702)	381.0
Adjusted EBITDA	143,167	58,025	146.7

Steel segment net sales for 2Q 2018 were US$ 857.1 million, a 31.1% increase compared to 2Q 2017. This increase was the result of better market conditions, which resulted in an average price increase per steel ton of US$ 167/MT, and supported by higher sales volumes of 56 thousand MT.

In 2Q 2018, **cost of sales** reached US$ 688.7 million, an increase of US$ 132.9 million, compared to 2Q 2017. The impact in the cost of sales was primarily due to an increase in raw material consumption required due to the higher production of liquid steel, as well as an increase in input costs.

Selling, general and administration expenses (SG&A) for 2Q 2018 reached US$ 40.6 million, representing 4.7% of net sales, an increase of US$ 2.5 million compared to 2Q 2017.

As a result of the aforementioned, the steel segment reported **operating income** of US$ 89.9 million in 2Q 2018, a US$ 70.6 million increase over the operating income reported in 2Q 2017.

As part of the Company's vertical integration, mineral production for our own internal demand was as follows:

Product (in MT)	2Q 2018	2Q 2017	% Var
Iron Ore	984,034	812,580	21.1
Metallurgical Coal	341,730	311,595	9.7

Steam Coal Segment

	2Q 2018	2Q 2017	% Var
Net Sales (thousands of US$)	67,188	86,641	(22.5)
Cost of sales	83,986	85,467	(1.7)
Depreciation	8,414	6,662	26.3
SG&A	1,636	2,067	(20.9)
Other (income) expenses	0	(0)	0.0
Operating income	(26,847)	(7,554)	255.4
EBITDA	(14,895)	2,940	(606.6)
Currency fluctuation	1,943	(657)	395.8
Adjusted EBITDA	(12,952)	2,283	(667.3)

Steam Coal segment net sales for 2Q 2018 were US$ 67.2 million, a 22.5% decrease compared to 2Q 2017. This was the result of lower steam coal sales volume (293 thousand tons) resulting from reduced demand from the CFE, as well as a decline in the sales price per coal ton of US$ 3.5/MT, due the FX component of our pricing formula.

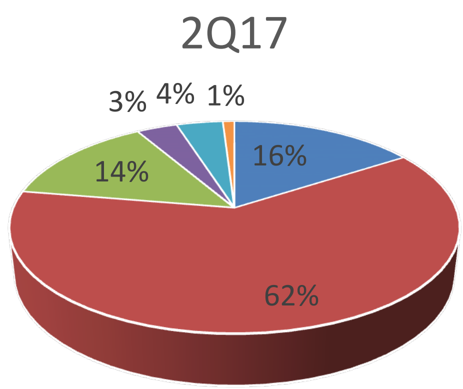
In 2Q 2018, **cost of sales** was US$ 84.0 million, a decrease of US$ 1.5 million compared to 2Q 2017. The impact on the cost of sales was mainly due to a lower volume of coal sales.

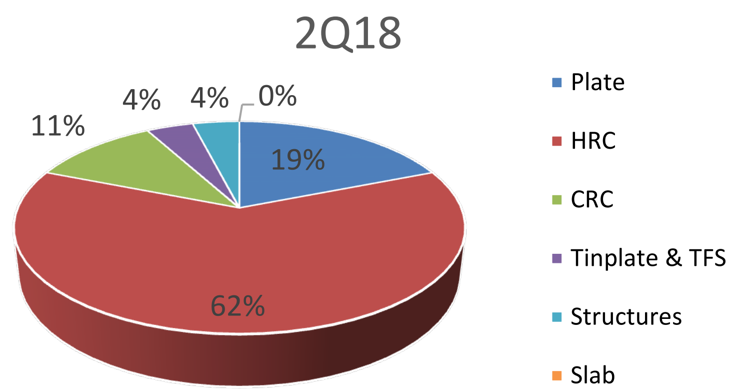
Selling, general and administrative expenses (SG&A) in 2Q 2018 represented 2.4% of net sales (US$ 1.6 million), a decline of US$ 0.4 million compared to 2Q 2017.

As a result of the above, the **operating loss** for the steam coal segment during 2Q 2018 was US$ 26.9 million, an increase of US$ 19.3 million compared with 2Q 2017.

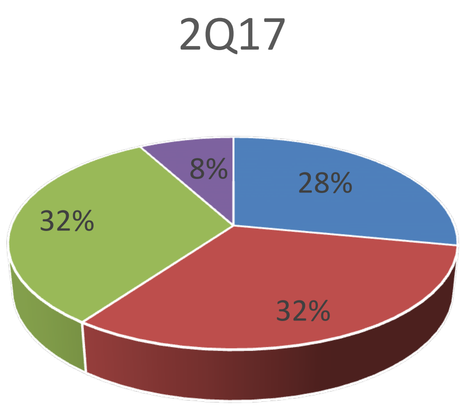
Sales Analysis of Steel Segment

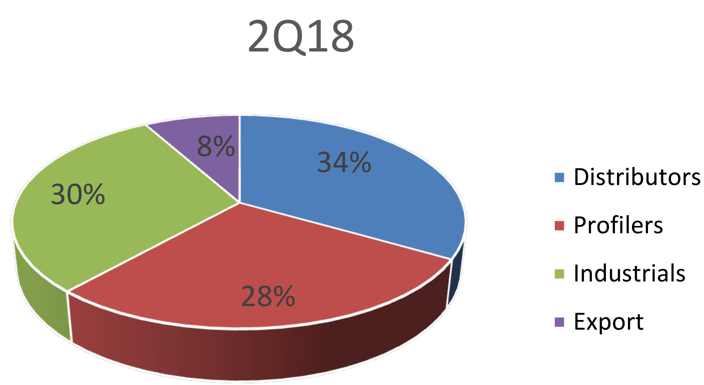
By Product Type:



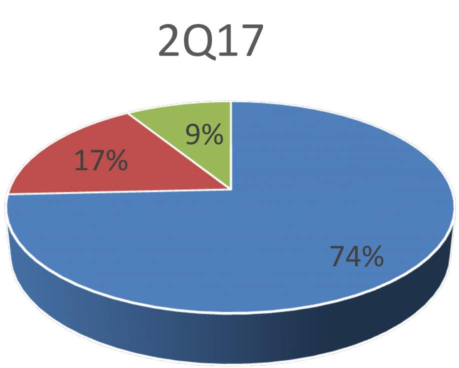


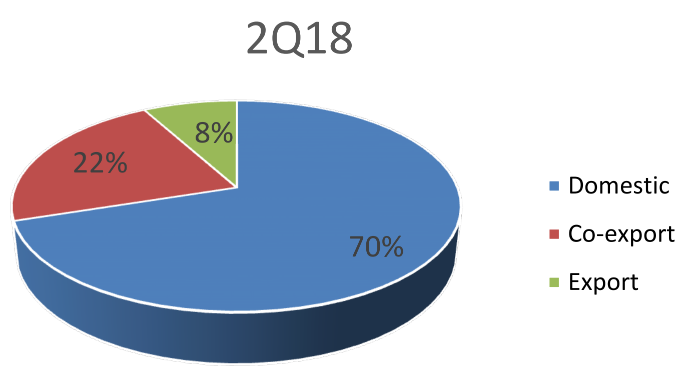
By Client Type:





By Market:





Financial Debt

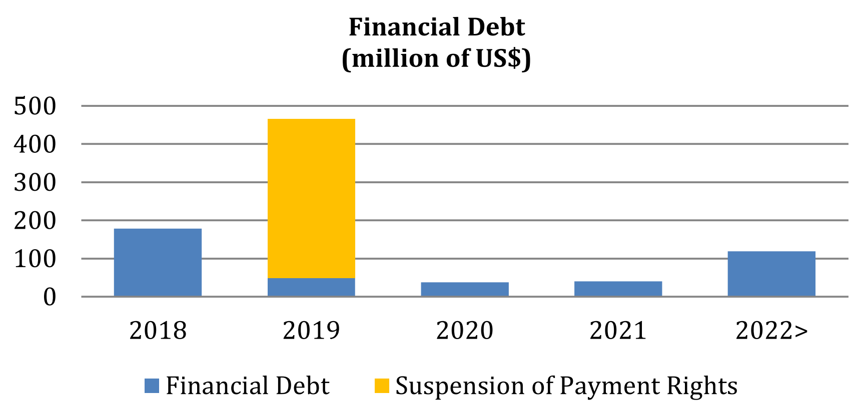
As of June 30, 2018, financial debt was US$ 847.6 million, a 2.1% decrease compared to the US$ 865.7 million reported at the close of 2017. Of this figure, US$ 194.7 million was bank debt, US$ 237.0 corresponded to financial and capital leases, and US$ 415.9 liability corresponding to our zero coupon Suspension of Payments Rights.

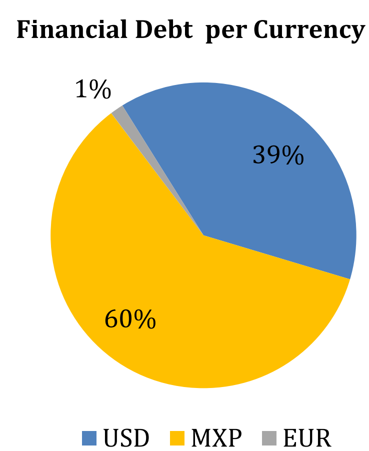
In the month of April 2018, MINOSA drew upon US$ 4.6 million of its financial credit leasing line with Caterpillar Crédito S.A. de C.V., for the purchase of mining equipment, for a 5-year term and an interest rate of 7.75% per year.

In May 2018, MINOSA signed a simple credit loan for seven months with Banca Afirme, S.A., for US$ 40 million. The proceeds obtained were used to cover working capital requirements. The annual interest rate of the loan was LIBOR plus 7.6%.

During the second quarter, AHMSA signed a four-year leasing contract with UNIFIN Financiera, S.A.B. de C.V. (UNIFIN) for equipment for which AHMSA had already paid; the resources were used for working capital requirements. For accounting purposes, this contract qualifies as a capital lease, as such, on June 30, 2018 the Company registered a US$ 16.3 million liability that corresponds to the lower amount between the reasonable value of the equipment and the present value of the minimum leasing payments.

Financial Debt Profile





CAPEX

Capital Expenditures for the first half of 2018 were US$ 53.2 million. This figure includes the application of mining exploration expenses incurred to date. The main investments carried out during this period included those for the modernization and optimization processes, as well as technological updates and development of mines.

Recent Events

As part of our efforts to enhance corporate governance practices, Mr. Mario Espinosa was invited by the Board of Directors to join as new independent board member. This decision is pending final approval at the next Shareholders' Meeting.

2Q18 Shareholder Composition

Shareholder	# of Shares	% Ownership
Grupo Acerero del Norte	302,325,250	64%
Board & Management	14,401,883	3%
Float	154,750,627	33%

About AHMSA

AHMSA is the largest steel producer in Mexico. The Company was founded in 1942 and began operations in 1944. In December 1991, the Company was privatized and Grupo Acerero del Norte, S.A. de C.V. (GAN) assumed control. In December 1995, GAN incorporated into AHMSA the iron ore and coal mines to convert AHMSA into an integrated steel producer in Mexico with a nominal capacity of 3.8 million MT of liquid steel per year. Since 2007, it has managed the *Fénix* Project, the most ambitious investment program in the Company's history aimed at increasing installed capacity by at least 40% and enabling AHMSA to surpass 5 million MT of liquid steel per year following the incorporation of its new electric arc furnace. With this new equipment, AHMSA also expanded its ranges of steel and increased specifications, which allows the Company to enter new market niches.

In 2017, AHMSA held 12% share of the domestic steel market, 22% of the domestic market for flat products and 12% of exports from Mexico of finished steel products. The corporate headquarters and steel mills have an area of approximately 1,200 hectares and is located in Monclova, Coahuila de Zaragoza, 248 km from the U.S. border.

<u>Forward-looking statements:</u>

The information set forth in this presentation contains "forward-looking statements" within the meaning of applicable Mexican securities legislation and the United States Private Securities Litigation Reform Act of 1995 (collectively, "forward-looking statements") including but not limited to projections of revenues or losses, plans and objectives for future operations, products or services, and statements relating to future economic performance. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause AHMSA's actual results to differ materially from those contemplated by the forward-looking statements. Important factors that could cause actual results to differ materially from those in the forward-looking statements include but are not limited to regional, national or global economic, business, market and regulatory conditions and the following: (i) AHMSA's ability to service its debt, including the outstanding non-transferable rights of each recognized creditor in the suspension of payments proceeding to receive certain payments; (ii) competition and loss of market shares; (iii) changes in AHMSA's relationships with customers and suppliers; (iv) increases in raw material costs or interruptions in supply; (v) declines in, and volatility affecting, global prices of steel; (vi) the existence or termination of free trade agreements, such as the North American Free Trade Agreement; (vii) foreign currency exchange fluctuations; (viii) the inherently dangerous nature of mining; (ix) work stoppages, strikes or other labor disputes; (x) changes in Mexican economic policy, as well as currency instability; (xi) inaccuracies in AHMSA's estimates of economically recoverable coal reserves; and (xii) AHMSA's dependence on certain raw materials.

The financial and operating projections, as well as estimates of assets, are based solely on the assumptions developed by AHMSA that it believes are reasonable based upon information available to AHMSA as of the date hereof. All projections and estimates are subject to material uncertainties, and should not be viewed as a prediction or an assurance of actual future performance. The validity and accuracy of AHMSA's projections will depend upon unpredictable future events, many of which are beyond AHMSA's control and, accordingly, no assurance can be given that AHMSA's assumptions will prove true or that its projected results will be achieved.

<u>Non-GAAP Financial Measures:</u>

This presentation provides information regarding EBITDA and Adjusted EBITDA. EBITDA and Adjusted EBITDA are not recognized terms or measures of financial performance under U.S. GAAP or IFRS and do not purport to be and should not be considered as alternatives to net income, as determined on a consolidated basis in accordance with IFRS, as indicators of AHMSA's operating performance or as net resources generated by operating activities as a measure of AHMSA's liquidity. AHMSA includes EBITDA and Adjusted EBITDA because it believes that they enhance the understanding of AHMSA's financial performance and its ability to satisfy principal and interest obligations with respect to its indebtedness as well as to fund capital expenditures and working capital requirements.

<u>Exchange Rate disclaimer</u>

This document includes certain exchange rate conversions from Mexican Pesos to U.S. Dollars, only for convenience of the user. The exchange rate used for the purposes of this translation is, for accounts related to the Income or Cash Flow statements, the average of the Official Exchange Rates published by Banco de Mexico each day during the months and the years ended, and the last day of each period for accounts related to the Balance Sheet.

Balance Sheet (thousands of US$)

	June 2018	December 2017
ASSETS		
Cash and cash equivalents	26,161	84,976
Clients, net	316,752	227,710
Due from related parties, net	13,324	10,514
Other accounts receivable, net	74,005	58,274
Inventories, net	456,170	355,011
Prepaid expenses	3,291	2,055
Total Current Assets	**889,704**	**738,540**
Due from related parties, net	24,478	24,587
Other accounts receivable, net	3,582	4,495
Guaranty deposits	67,753	44,675
Investments in shares of associates or joint ventures	4,614	4,114
Property, plant and equipment, net	2,152,189	2,182,335
Intangible assets, net	161,493	168,936
Other assets, net	32,225	34,354
Total Non-Current Assets	**2,446,333**	**2,463,495**
TOTAL ASSETS	**3,336,037**	**3,202,035**
LIABILITIES		
Financial liabilities	205,260	237,325
Suppliers	569,733	442,759
Taxes payable	98,778	81,230
Due to related parties	29,160	25,900
Liabilities from SP Restructuring	415,858	0
Due to related parties	95,093	120,669
Other payables and provisions	138,690	101,855
Total Current Liabilities	**1,552,572**	**1,009,738**
Financial liabilities	226,479	209,789
Liabilities from SP restructure	0	418,553
Employee retirement obligations	372,164	365,404
Other payables and provisions	16,092	17,258
Deferred income taxes	145,786	173,290
Total long-term liabilities	**760,520**	**1,184,294**
TOTAL LIABILITIES	**2,313,092**	**2,194,032**
SHAREHOLDERS' EQUITY		
Capital stock	686,939	691,391
Retained earnings	290,892	282,410
Other comprehensive income concepts	12,801	4,830
Total controlling interest	990,632	978,631
Non-controlling interest	32,313	29,372
TOTAL SHAREHOLDERS' EQUITY	**1,022,945**	**1,008,003**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**3,336,037**	**3,202,035**

Income Statement (thousands of US$)

	2Q 2018	2Q 2017
Net Sales	936,855	749,734
Cost of Sales	833,936	700,757
GROSS PROFIT (LOSS)	**102,919**	**48,976**
Selling, general and administrative expenses	46,537	45,332
Other Expenses, net	(110)	(210)
OPERATING INCOME (LOSS)	**56,492**	**3,855**
Financial Expenses	23,973	19,824
Financial Products	(2,135)	(1,264)
Currency Fluctuation	22,301	(7,930)
Investments in shares of associates or joint ventures	(136)	(133)
INCOME (LOSS) BEFORE INCOME TAXES	**12,490**	**(6,643)**
Income Taxes	407	2,095
INCOME (LOSS) FOR THE PERIOD	**12,083**	**(8,738)**
EBITDA	**110,967**	**60,255**

Statement of Cash Flow (thousands of US$)

	Jan-Jun 2018	Jan-Jun 2017
Profit (loss) net	23,285	(15,969)
Depreciation and amortization	110,835	109,063
Equity in income of associated and joint ventures	(545)	(341)
Impairment of assets	1,098	0
Loss on sales of property, plant and equipment, net	(51)	7,730
Income from sale of shares	0	(3,189)
Interest income	(3,073)	(3,122)
Currency fluctuation, Profit (loss)	9,668	(24,763)
Interest expense	46,133	38,703
	187,451	108,112
Trade accounts receivable, net	(99,156)	(52,579)
Due from related parties, net	(4,124)	60
Other short and long-term accounts receivable, net	(6,507)	(5,060)
Inventories, net	(104,032)	33,395
Advance payments	(1,302)	(206)
Suppliers	138,697	87,649
Taxes payable	(11,232)	(10,723)
Due to related parties	1,927	1,710
Other payables and provisions	82,128	35,891
Advances from customers	(23,149)	(88,706)
Employee retirement obligations, net	(11,880)	(10,749)
Other long term payables and provisions	(34,311)	(0)
Income tax (paid) recovered	(15,310)	(6,294)
Interest expenses paid	(9,428)	(9,983)
Interest income received	2,044	2,364
	(95,635)	(23,230)
Net cash flow provided by operating activities	91,817	84,882
Additions to property, plant and equipment	(53,223)	(31,398)
Cash provided by sales of property, plant and equipment	114	1,502
Investment in shares of associated companies	(3)	21
Accounts receivable from sale of shares	787	1,539
Guaranty deposits	(24,344)	1,202
Interest received	1,046	249
Other assets	(2,936)	(2,004)
Purchase of equity of Non controlling interest	0	(0)
Intangible assets	(8,109)	(13,344)
Net cash flow from financing activities	(86,668)	(42,234)
Financing debt	64,342	30,623
Financial debt paid	(106,801)	(57,744)
Interest paid	(21,649)	(16,519)
Net cash flow from financing activities	(64,108)	(43,640)
Increase (decrease) in cash and cash equivalents	(58,960)	(992)
Adjustments to cash flow due to exchange rate fluctuations	145	(20,253)
Beginning of year	84,976	45,710
End of period	26,161	24,465

Balance Sheet (thousands of PS$)

	June 2018	December 2017
ASSETS		
Cash and cash equivalents	519,645	1,677,039
Clients, net	6,291,746	4,493,955
Due from related parties, net	264,650	207,495
Other accounts receivable, net	1,469,992	1,150,059
Inventories, net	9,061,051	7,006,289
Prepaid expenses	65,369	40,547
Total Current Assets	**17,672,453**	**14,575,384**
Due from related parties, net	486,209	485,236
Other accounts receivable, net	71,143	88,701
Guaranty deposits	1,345,791	881,670
Investments in shares of associates or joint ventures	91,644	81,200
Property, plant and equipment, net	42,749,570	43,069,251
Intangible assets, net	3,207,783	3,334,021
Other assets, net	640,105	677,982
Total Non-Current Assets	**48,592,246**	**48,618,062**
TOTAL ASSETS	**66,264,699**	**63,193,446**
LIABILITIES		
Financial liabilities	4,077,134	4,683,705
Suppliers	11,316,779	8,738,030
Taxes payable	1,962,056	1,603,098
Due to related parties	579,218	511,154
Liabilities from SP Restructuring	8,260,310	0
Due to related parties	1,888,866	2,381,449
Other payables and provisions	2,754,838	2,010,513
Total Current Liabilities	**30,839,201**	**19,927,588**
Financial liabilities	4,498,611	4,140,277
Liabilities from SP restructure	0	8,260,310
Employee retirement obligations	7,392,399	7,211,394
Other payables and provisions	319,640	340,597
Deferred income taxes	2,895,783	3,419,939
Total long-term liabilities	**15,106,432**	**23,372,518**
TOTAL LIABILITIES	**45,945,633**	**43,300,106**
SHAREHOLDERS' EQUITY		
Capital stock	13,644,882	13,644,882
Retained earnings	5,778,073	5,573,473
Other comprehensive income concepts	254,274	95,314
Total controlling interest	19,677,228	19,313,669
Non-controlling interest	641,838	579,670
TOTAL SHAREHOLDERS' EQUITY	**20,319,066**	**19,893,340**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**66,264,699**	**63,193,446**

Income Statement (thousands of PS$)

	2Q 2018	2Q 2017
Net Sales	18,136,781	13,946,271
Cost of Sales	16,142,353	13,031,431
GROSS PROFIT (LOSS)	**1,994,428**	**914,840**
Selling, general and administrative expenses	903,522	844,892
Other Expenses, net	(2,150)	(4,057)
OPERATING INCOME (LOSS)	**1,093,057**	**74,005**
Financial Expenses	463,362	368,256
Financial Products	(41,253)	(23,472)
Currency Fluctuation	429,129	(143,407)
Investments in shares of associates or joint ventures	(2,709)	(2,515)
INCOME (LOSS) BEFORE INCOME TAXES	**244,527**	**(124,857)**
Income Taxes	13,551	36,387
INCOME (LOSS) FOR THE PERIOD	**230,976**	**(161,243)**
EBITDA	**2,146,833**	**1,122,835**

Statement of Cash Flow (thousands of PS$)

	Jan-Jun 2018	Jan-Jun 2017
Profit (loss) net	449,426	(324,559)
Depreciation and amortization	2,111,049	2,122,419
Equity in income of associated and joint ventures	(10,381)	(6,844)
Impairment of assets	20,489	0
Loss on sales of property, plant and equipment, net	974	154,488
Income from sale of shares	0	(62,163)
Interest income	(58,916)	(61,395)
Currency fluctuation, Profit (loss)	878,259	751,366
Interest expense	189,763	(471,212)
	3,580,663	2,102,100
Trade accounts receivable, net	(1,890,438)	(1,024,884)
Due from related parties, net	(78,617)	1,170
Other short and long-term accounts receivable, net	(124,053)	(98,635)
Inventories, net	(1,983,400)	650,951
Advance payments	(24,822)	(4,006)
Suppliers	2,644,298	1,708,489
Taxes payable	(214,146)	(209,022)
Due to related parties	36,733	33,337
Other payables and provisions	1,565,795	699,602
Advances from customers	(441,342)	(1,729,075)
Employee retirement obligations, net	(226,501)	(209,515)
Other long term payables and provisions	(654,144)	(1)
Income tax (paid) recovered	(291,894)	(122,686)
Interest expenses paid	(179,741)	(194,594)
Interest income received	38,968	46,071
	(1,823,304)	(452,798)
Net cash flow provided by operating activities	1,757,359	1,649,302
Additions to property, plant and equipment	(1,014,714)	(612,020)
Cash provided by sales of property, plant and equipment	2,174	29,273
Investment in shares of associated companies	(63)	410
Accounts receivable from sale of shares	15,000	30,000
Guaranty deposits	(464,121)	23,423
Interest received	19,948	4,849
Other assets	(55,985)	(39,067)
Purchase of equity of Non controlling interest	0	(1)
Intangible assets	(154,593)	(260,098)
Net cash flow from financing activities	(1,652,354)	(823,231)
Financing debt	1,226,707	596,904
Financial debt paid	(2,036,200)	(1,125,562)
Interest paid	(412,754)	(321,993)
Net cash flow from financing activities	(1,222,247)	(850,651)
Increase (decrease) in cash and cash equivalents	(1,117,242)	(24,580)
Adjustments to cash flow due to exchange rate fluctuations	(40,152)	(482,124)
Beginning of year	1,677,039	944,556
End of period	519,645	437,852