

HYLSAMEX, S.A. DE C.V. AND SUBSIDIARIES

Selected Financial Information (Million pesos as of September 2004)

	3Q 2004	2Q 2004	3Q 2003	9M 2004	9M 2003		Sep 2004	Jun 2004	Sep 2003
Income Statement						Balance Sheet			
Sales Revenue	7,353	6,802	4,153	19,390	12,346	Current Assets	9,686	8,974	6,568
Gross Profit	2,632	2,546	478	6,419	1,466	Non-Current Assets	23,718	24,048	24,581
Operating Profit	2,314	2,212	152	5,422	520	Total Assets	33,404	33,022	31,149
CFR	(113)	(522)	(597)	(616)	(1,168)	Current Liabilities	4,809	4,324	3,286
Equity in subsidiary	125	246	35	420	215	Non-Current Liabilities	12,692	15,637	16,295
Consolidated Net Earnings	1,369	1,434	(273)	3,516	(190)	Total Liabilities	17,501	19,961	19,581
Majority Net Earnings	1,362	1,409	(289)	3,464	(199)	Stockholders Equity	15,903	13,061	11,568
						Majority Interest	13,956	11,083	9,641

Operating and Financial Indicators

Income Statement						Balance Sheet			
Shipments ('000 tons)	828	787	723	2,402	2,153	Net debt (Ps. million)	6,700	10,062	12,081
Exports (%)	26.5	22.1	23.8	22.9	23.0	Net debt (US\$ million)	587	867	1,053
Revenue/ton	8,884	8,646	5,741	8,072	5,736	Net debt to equity	0.4	0.8	1.1
Cash cost/ton	5,278	4,962	4,599	4,959	4,564	Current Ratio	2.0	2.1	2.0
Gross margin (%)	35.8	37.4	11.5	33.1	11.9	B. Value/ADS	137.84	131.33	114.25
Operating margin (%)	31.5	32.5	3.7	27.9	4.2	Interest Coverage†			
EBITDA margin (%)	36.3	37.7	12.0	33.4	12.8	Last 12 months	6.9	4.5	2.0
Earnings per ADS	13.45	16.69	(3.42)	34.21	(2.35)	Quarterly	11.7	10.3	1.8

* Based on ADS & majority net income

** Monthly figures translated into dollars at the average exchange rate of each month

† (EBITDA) / (Financial Expenses, net)

†† Based on stock price at the end of each quarter: Ps.23.33 at Jun/30/04, Ps.16.90 at Jun/31/04 and Ps.7.10 at Sep/30/03

HYLSAMEX, S.A. DE C.V. AND SUBSIDIARIES

Consolidated Balance Sheet

At September 30, 2004, with comparative figures for 2003
(Million Pesos as of September 2004)

ASSETS	2004	2003	LIABILITIES & EQUITY	2004	2003
Current Assets:			Current Liabilities:		
Cash and cash equivalents	\$1,290	\$735	Current portion of long term debt	\$548	\$625
Trade accounts receivable	3,566	2,298	Accrued interest payable	73	73
Other accounts receivable	846	770	Accounts payable and accrued expenses	4,188	2,588
Inventories	3,984	2,765		-----	-----
Total current assets	9,686	6,568	Total current liabilities	4,809	3,286
			Long-Term Liabilities:		
Permanent investments	982	610	Long-term debt	7,359	12,112
			Long-term affiliated Co.	487	417
Property, plant and equipment	20,698	21,255	Deferred income taxes	3,430	2,480
			Estimated liabilities for seniority premiums and pension plan	1,416	1,286
Deferred charges	1,665	1,802	Total long-term liabilities	12,692	16,295
Deferred income tax	70	621		-----	-----
Other Asset	303	293	TOTAL LIABILITIES	17,501	19,581
			Stockholders' Equity:		
			Nominal capital stock	5,970	4,975
			Restatement of capital stock	1,104	1,090
			Other contributed capital	579	
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			Contributed capital	7,653	6,065
			Earned surplus	6,303	3,576
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			Total majority interest	13,956	9,641
			Minority interest	1,947	1,927
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			TOTAL STOCKHOLDERS' EQUITY	15,903	11,568
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TOTAL ASSETS	\$33,404	\$31,149	TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$33,404	\$31,149
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			Majority interest per share	22.9731	19.0414
			Majority interest per ADS/GDS	137.8385	114.2482

HYLSAMEX, S.A. DE C.V. AND SUBSIDIARIES

Consolidated Statement of Income

For the period ended September 30, 2004, with comparative figures for 2003
(Million Pesos as of September 2004)

	2004	2003
Net sales	\$ 19,390	\$ 12,346
Cost of sales	(12,971)	(10,880)
Gross profit	6,419	1,466
Operating expenses	(997)	(946)
Operating income	5,422	520
Comprehensive financing (expenses) income, net	(616)	(1,168)
Other income, net	(56)	13
Income (loss) before the following provisions	4,750	(635)
Provisions for:		
Income tax, assets tax and deferred tax	(1,485)	247
Employees' profit sharing	(169)	(17)
Income (loss) before equity in associated company	3,096	(405)
Equity in income (loss) of associated company	420	215
Consolidated net income (loss)	3,516	(190)
Net (income) loss corresponding to minority interest	(52)	(9)
Net income (loss) corresponding to majority interest	\$ 3,464	(\$ 199)
Net majority income (loss) per share corresponding to majority interest	5.7025	(0.3924)
Net majority income (loss) per ADS/GDS	34.2150	(2.3545)

HYLSAMEX, S.A. DE C.V. AND SUBSIDIARIES

Consolidated Statement of Changes in the Financial Position For the period ended September 30, 2004, with comparative figures for 2003 (Million Pesos as of September 2004)

	2004	2003
Operations:		
Consolidated net income (loss)	\$ 3,516	(\$ 190)
Items not affecting resources:		
Depreciation and amortization	1,057	1,058
Equity in income (loss) of associated company	(420)	(215)
Deferred income taxes	1,267	(311)
Other, net	78	78
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	5,498	420
Changes in working capital other than financing:		
Accounts receivable	(1,487)	(216)
Inventories	(1,523)	(148)
Accounts payable and accrued expenses	1,303	(104)
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	(1,707)	(468)
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Resources provided by operations	3,791	(48)
Financing:		
Loans received	3,251	624
Repayment of loans	(8,030)	32
Increase in capital stock	1,588	
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Resources provided by financing activities	(3,191)	656
Investment:		
Investment in shares, net		(606)
Property, plant and equipment, net	(224)	(320)
Deferred charges	(132)	(88)
Other, net	57	515
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Resources used in investment activities	(299)	(499)
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Decrease (increase) in cash and cash equivalents	301	109
Cash and cash equivalents at the beginning of the period	989	626
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Cash and cash equivalents at the end of the period	\$ 1,290	\$ 735
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