

**SIDERAR S.A.I.C.
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SIDERAR REPORTS THIRD QUARTER RESULTS FOR FISCAL YEAR 2000

Buenos Aires, Argentina, May 3, 2000 - Siderar S.A.I.C. (BCBA: ERAR), Argentina's largest steel producer, reported today net income of Ps. 2.9 million for the third quarter ended March 31, 2000 compared to net income of Ps. (11.5) million posted for the same quarter last fiscal year. Main reasons for this result were light increases in domestic and exports shipments, cost reductions, improvement in export prices and lower impact of Sidor's negative results. Earnings per share (EPS) and per ADS were Ps. 0.0084 and Ps. 0.0669 respectively based on a total of 347,468,771 shares outstanding at March 31, 2000. Each ADS represents 8 (eight) class "A" shares.

Net income for the nine month period ended March 31, 2000 totalled Ps. (3.4) million compared to Ps. 3.6 million for the same period last fiscal year.

Net revenues in the third quarter FY 00 were Ps. 228.3 million, an increase of 6.8 % compared to the same quarter last fiscal year.

The company maintains a high level of capacity utilization, offsetting a relatively low level of domestic shipments with higher level of exports.

Shipments to the domestic market grew 3.9 % from 270.7 thousand metric tons in the third quarter FY 99 to 281.2 thousand metric tons in the third quarter FY 00. Exports of flat products during the quarter reached 197.9 thousand metric tons vs. 194.2 thousand metric tons in the same quarter last FY.

Gross profit for the third quarter FY 00 rose 32.3 %, from Ps. 42.7 million in the third quarter last fiscal year to 56.5 million in the third quarter FY 00. This was mainly due to the positive results of the cost reduction plan implemented last year and better export prices.

Selling and administrative expenses totalled Ps. 25.0 million, maintaining the same level posted in the same quarter of the previous FY.

Siderar's net financial expenses increased from Ps. 9.9 million posted in the third quarter last fiscal year to Ps. 14.6 million in the third quarter FY 00. Impact of devaluation in inventories and spare parts in order to reflect their market value, was included in this line.

Tax provision charge increased to Ps. 2.7 million from Ps (2.6) million due to positive results before taxes, compared with the same quarter last fiscal year.

Equity income totalled a loss of Ps. (6.7) million in the third quarter, basically due to a negative result from Prosid Investments Inc. (This company -100% owned by Siderar-holds the participation in Consorcio Siderurgia Amazonia Ltd.) of Ps. (6.6) million.

In February 2000 Sidor and Amazonia agreed with their lenders the rescheduling of their indebtedness. As part of the agreement, Sidor's shareholders committed to contribute with additional equity and loans to Sidor. Siderar contributed with a total of Ps. 57.2 million.

The number of employees totalled 5,587 as of March 31, 2000, in comparison with 5,516 employees as of March 31, 1999. After the merger with Comesi SAIC in April 99, the total number of employees decreased in 298 people.

Please find attached financial tables as of March 31, 2000.

SIDERAR S.A.I.C.

	Three months ended March 31,		Nine months ended March 31,	
	2000	1999	2000	1999
Income Statement Data				
(in million pesos, except ratios)				
Net sales	228.3	213.7	722.1	733.0
Cost of sales	(171.8)	(171.0)	(566.1)	(552.3)
Gross profit	56.5	42.7	156.0	180.7
Selling and administrative expenses	(25.0)	(25.0)	(78.5)	(76.2)
Financial income (expense)	(14.6)	(9.9)	(33.3)	(31.9)
Other ordinary income (expense)	(4.6)	(8.2)	(14.3)	(10.9)
Income (loss) before taxes	12.2	(0.4)	29.9	61.7
Tax provision charge	(2.7)	2.6	(8.5)	(19.7)
Ordinary Income (Loss)	9.6	2.2	21.5	42.0
Equity Income (Loss)	(6.7)	(13.6)	(24.9)	(38.4)
Other income (expense)	0.0	0.0	0.0	0.0
Net income (loss)	2.9	(11.5)	(3.4)	3.6
Earnings per share (1)	0.0084	(0.0330)	(0.0098)	0.0103
Earnings per ADS (1)	0.0669	(0.2637)	(0.0785)	0.0822
Other financial information				
EBITDA	51.3	34.6	136.0	155.6
Operating income	31.4	17.7	77.5	104.5
Operating income per ton	65.6	38.0	48.3	70.0
Depreciation and amortization	20.4	17.0	60.2	52.1
Capital expenditures for property, plant and equipment	16.0	12.6	34.3	57.9
Operating Data				
Production of pig iron (000 tons)	544.1	458.8	1,583.4	1,502.2
Production of hot rolled coils (000 tons)	492.1	433.5	1,593.6	1,397.7
Domestic Sales (000 tons)	281.2	270.7	861.9	991.4
Export sales (000 tons)	198.0	194.2	743.7	501.4
Total sales (000 tons)	479.1	465.0	1,605.7	1,492.7
Employees	5,587	5,516	5,587	5,516
Financial Ratios				
Return on average equity	0.5%	-1.7%	-0.5%	0.5%
Gross margin	24.7%	20.0%	21.6%	24.7%
Operating margin	13.8%	8.3%	10.7%	14.3%
Total liabilities / Total assets	53.3%	54.5%	53.3%	54.5%
Current assets/current liabilities	129.5%	124.4%	129.5%	124.4%
Non-current assets/total assets	66.3%	62.2%	66.3%	62.2%
EBITDA/net sales	22.5%	16.2%	18.8%	21.2%

(1) Assume shares at the end of the period

	March 31, 2000	March 31, 1999
Balance sheet data:		
Current trade receivables	174.2	157.3
Inventories	235.7	283.2
Total current assets	454.9	539.5
Net fixed assets	720.1	675.2
Total non-current assets	<u>892.9</u>	<u>888.3</u>
Total assets	1,347.8	1,427.8
Short term debt	200.6	292.6
Total current liabilities	351.3	433.5
Long term debt	337.9	315.4
Total non-current liabilities	<u>367.5</u>	<u>344.8</u>
Total liabilities	718.9	778.3
Shareholders' equity	628.9	649.5

SIDERAR S.A.I.C.**Consolidated**

	Three months ended March 31,		Nine months ended March 31,	
	2000	1999	2000	1999
(in million pesos, except ratios)				
Income Statement Data				
Net sales	228.3	225.6	723.9	763.4
Cost of sales	(171.8)	(178.3)	(566.5)	(571.6)
Gross profit	56.5	47.2	157.3	191.7
Selling and administrative expenses	(25.1)	(26.3)	(78.8)	(80.1)
Financial income (expense)	(14.2)	(10.2)	(32.8)	(33.0)
Other ordinary income (expense)	(4.6)	(8.9)	(14.3)	(13.4)
Income (loss) before taxes	12.6	1.8	31.4	65.2
Tax provision charge	(2.7)	2.9	(8.5)	(20.2)
Ordinary income (loss)	9.9	4.7	22.9	45.1
Equity Income (Loss)	(7.0)	(16.2)	(26.3)	(41.5)
Other income (expense)	0.0	0.0	0.0	0.0
Net income (loss)	2.9	(11.5)	(3.4)	3.6
Earnings per share (1)	0.0084	(0.0330)	(0.0098)	0.0103
Earnings per ADS (1)	0.0669	(0.2637)	(0.0785)	0.0822
Other financial information				
EBITDA	51.3	39.1	137.1	166.5
Operating income	31.4	20.9	78.5	111.7
Operating income per ton	65.6	44.7	48.9	75.0
Depreciation and amortization	20.4	18.6	60.2	59.3
Operating Data				
Domestic Sales (000 tons)	280.8	273.8	862.9	986.3
Export sales (000 tons)	198.0	194.8	743.7	502.8
Total sales (000 tons)	478.7	468.6	1,606.6	1,489.1
Employees	5,608	5,881	5,608	5,881
Financial Ratios				
Return on average equity	0.5%	-1.7%	-0.5%	0.5%
Gross margin	24.8%	20.9%	21.7%	25.1%
Operating margin	13.8%	9.3%	10.9%	14.6%
Total liabilities / Total assets	53.3%	55.3%	53.3%	55.3%
Current assets/current liabilities	130.5%	122.4%	130.5%	122.4%
Non-current assets/total assets	66.0%	62.6%	66.0%	62.6%
EBITDA/net sales	22.5%	17.3%	18.9%	21.8%

(1) Assume shares at the end of the period

	March 31, 2000	March 31, 1999
Balance sheet data:		
Current trade receivables	175.0	171.4
Inventories	236.6	298.1
Total current assets	458.6	543.1
Net fixed assets	721.4	758.0
Total non-current assets	<u>889.3</u>	<u>908.8</u>
Total assets	1,347.9	1,451.9
Short term debt	200.6	292.8
Total current liabilities	351.4	443.8
Long term debt	337.9	321.0
Total non-current liabilities	<u>367.5</u>	<u>358.6</u>
Total liabilities	718.9	802.4
Shareholders' equity	629.0	649.5