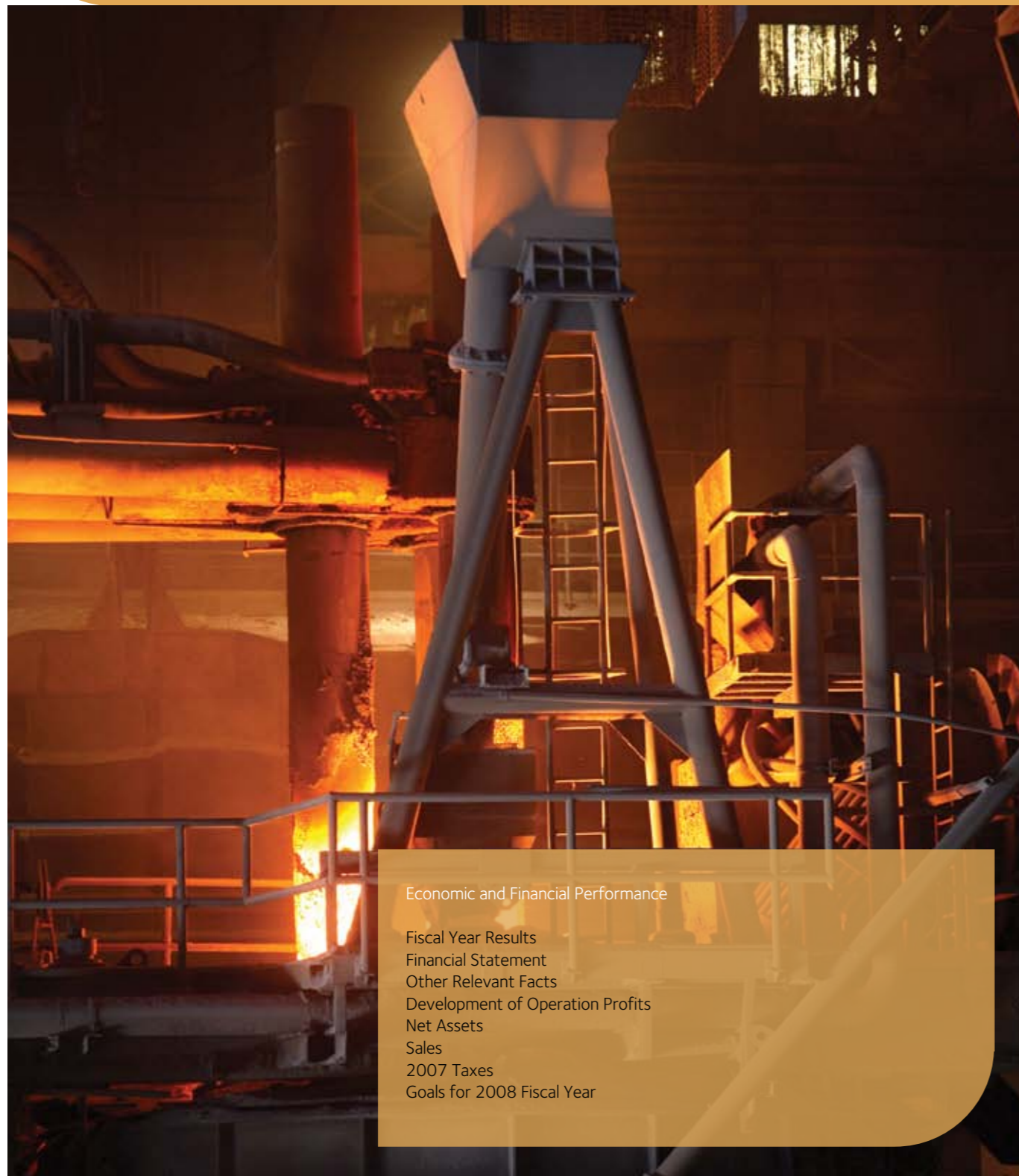


Economic and Financial Performance



Economic and Financial Performance

- Fiscal Year Results
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Our Company reported net profits of AR\$ 476,6 million for the fiscal year which ended December 31, 2007, as compared to those of the previous year, which amounted to AR\$ 603,9 million.

The result of this fiscal year was mainly due to a positive operating income of AR\$ 718.9 million, after income tax payment of AR\$ 245.9 million.

Fiscal Year Results

Net sales after taxes amounted to AR\$ 3,107.9 million for the fiscal year which ended on December 31, 2007, representing an 11.8% increase with respect to 2006.

Gross earnings as of December 31, 2007, amounted to AR\$ 846.7 million (or 27.2% of net sales after tax), as compared to AR\$ 882.9 million (or 31.8% of net sales) for 2006 fiscal year.

Administrative expenses represented 1.6% of net sales after taxes, and marketing expenses were 2.4% of net sales after taxes for 2007, while in 2006 those expenses represented 1.6% and 2.2%, respectively.

Earnings before interest, taxes, depreciation and amortization (EBITDA) for the fiscal year which ended December 31, 2007, were AR\$ 811.8 million, as compared to AR\$ 860.2 million in 2006.

Financial and Holding results represented a positive result of AR\$ 66.9 million by December 31, 2007, compared with AR\$ 39.8 million for the 2006 fiscal year.

Income tax for the fiscal year amounted to a negative result of AR\$ 254.9 million compared to a negative result of AR\$ 329.4 million for the previous year.

The Company's net assets were of AR\$ 2,621,4 million for the fiscal year ended on December 31, 2007, compared to net assets of AR\$ 2,285.8 million at the end of fiscal year 2006.

The Company's domestic invoicing amounted to AR\$ 2737.3 million by December 31, 2007, compared to AR\$ 2,423.1 million for the previous fiscal year.

Export sales were AR\$ 423.5 million in this fiscal year, as compared to AR\$ 415.0 million in 2006.

The Company's average manufacturing costs increased by 20.7% over the previous fiscal year, primarily as a consequence of the price increase of the main inputs: electric power, natural gas, scrap, iron ore and labour.

Other relevant facts

TAKEOVER BID (T.O.B.)

On October 2nd, Arcelor Spain Holding S.L. made a takeover bid for

Financial Statement

Concepts	2003	2004	2005	2006	2007
Domestic Market	855,884	962,253	1,026,494	1,206,884	1,207,960
Exports	303,470	278,929	277,626	183,457	170,335
Total (TONS)	1,159,354	1,241,182	1,304,120	1,390,341	1,378,295
Net Sales MM \$	1,347.1	2,119.4	2,543.2	2,779.1	3,019.0
Production Costs	-755.0	-1,082.3	-1,488.8	-1,811.7	-2,079.5
Amortizations	-81.5	-78.3	-88.6	-84.5	-92.9
Gross Income	510.6	958.8	965.8	882.9	846.7
Admin. and Commercial Expenses	-53.7	-66.0	-87.4	-105.7	-124.6
Other expenses	6.1	0.5	-0.1	-1.4	-3.1
Operating Income (EBIT)	463.0	893.3	878.4	775.8	732.6
Financial and Holding Results	102.4	-31.2	-13.2	38.9	67.0
Permanent Inv Results	6.4	11.2	1.8	2.7	6.1
Other income and net expenses	-13.3	-26.2	-23.4	-42.7	-60.9
Income tax / GMP	41.4	-301.3	-293.9	-329.4	-254.9
Third parties part. in Assoc.	-	-	-	0.3	0.5
Tubes Plant Sale Result	-	-	-	158.4	-
Net Income	599.9	545.8	549.6	603.9	486.2
EBITDA (Million AR\$)	544.5	971.6	967.0	860.2	811.8
EBITDA / t	469.6	782.8	741.5	618.8	628.8
EBITDA margin %	40.4%	45.8%	38.0%	31.0%	27.3%
Earnings per share - basic	2.15	1.22	0.90	0.75	0.56
Earnings per share - diluted	1.01	0.65	0.65	0.69	0.54

34.7% of Acindar's outstanding shares.

ArcelorMittal offered Acindar's stockholders AR \$5,75 cash per share, the equivalent to \$s 1,83, representing a premium of 19,5% with respect to Acindar's shares price by the closing of the stock market session of October 1, 2007.

This offer was approved by the National Banking and Securities Commission on December 20. The ordinary period of offer validity was of 21 working days, starting December 21st, 2007, and finishing January 24th, 2008. Likewise, in compliance with the regulations of the CNV (National Banking and Values Commission), the stockholders not accepting the offer during the mentioned ordinary validity period had 5 additional working days to accept it. This period ended January 31st, 2008.

As of the date of publication of this report, the takeover bid of Acindar's ordinary shares performed by Arcelor Spain Holding S.L. had the following acceptance result:

Class A Shares: 336
Class B Shares: 303,327,703

These shares represent 35% of the capital stock of the Company which, together with the remaining 64.5% corresponding to Arcelor-Mittal, turns the latter into the holder of the 99,5% of Acindar's capital stock.

From the strategic point of view, the operation is beneficial for Acindar, since it will become a main part of ArcelorMittal's strategy in the field of long products and will be a platform which will allow the Group to strengthen its growth and to take advantage of new opportunities in Latin America.



ACINDAR PYMES S.G.R.

In December 2005, Acindar Pymes S.G.R. was set up (Mutual Guarantee Association) with 168 participating members.

The objective of this association is to facilitate partners the access to credit under favourable conditions, as well as providing advising and training in subjects such as human resources, safety and environmental management.

The authorized risk fund amounts to AR\$ 80 million, integrated in December 2005 (AR\$ 45 million), June 2006 (\$ 20 million) and September 2006 (AR\$ 15 million).

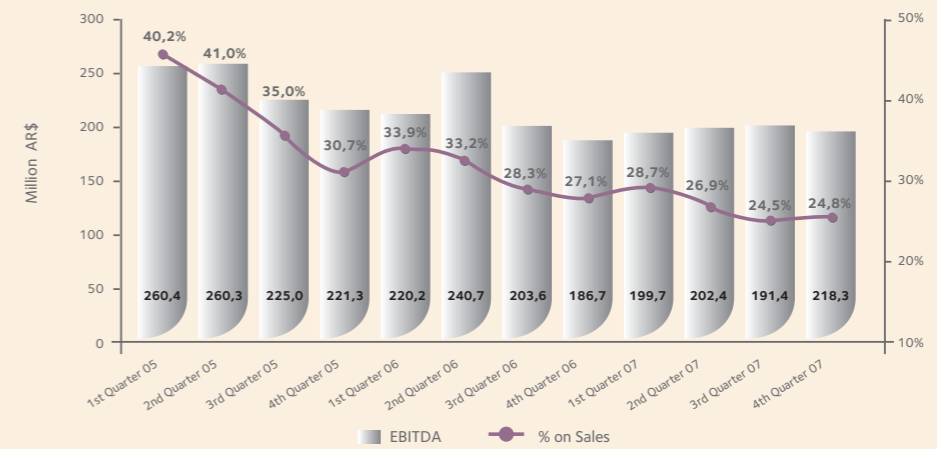
During 2007, operations for more than AR\$139 million were endorsed, and the number of participating members increased to 354.

Credit restriction in the financial market, mainly in the second half of the year, favoured the increase of discount operations of post-dated cheques in the Stock Exchange. Thus, of the total guaranteed operations, more than half of them were performed through this mechanism, while the 27% of the operations were canalised through bank loans and Corporate Bonds.

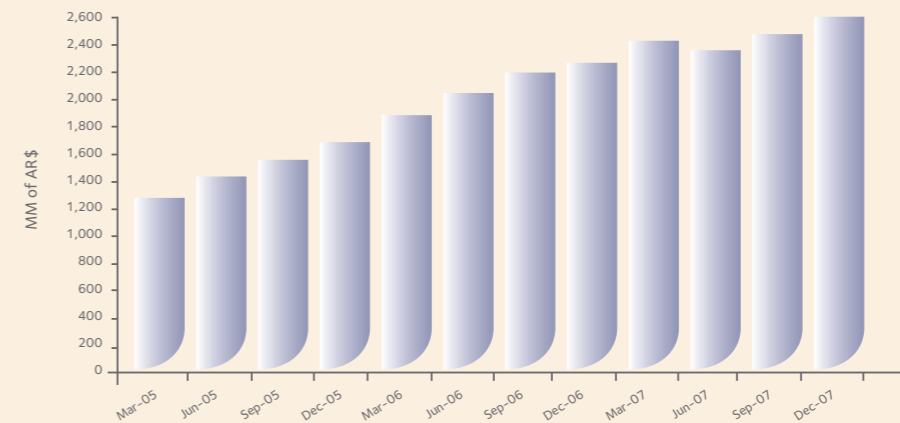
By the end of 2007, Acindar Pymes has achieved the objectives established by the Enforcing Authority to achieve the reimposition of the first tranche of \$45 million paid on December 28, 2005 and consequently it has reimposed the same amount on December 28, 2007 for the next two years.

The Association has imposed itself the increase of long term financing support for the firms of the sector which need their production and/or commercial capacity to be increased.

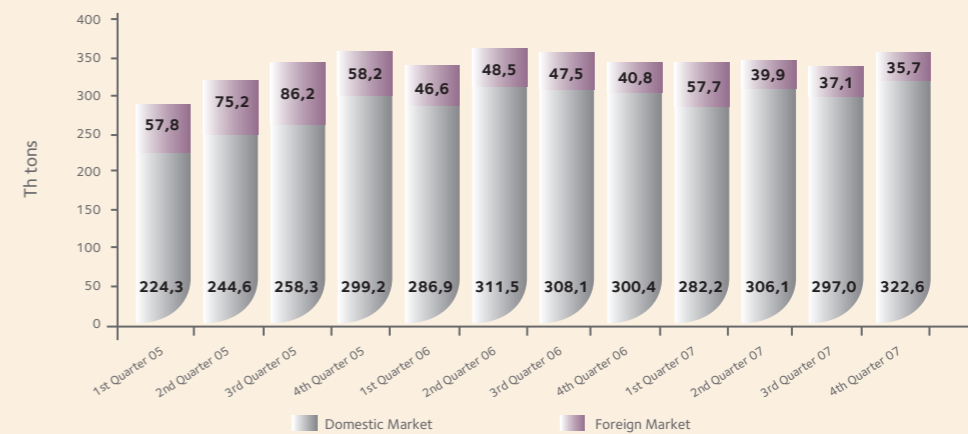
Development of operation profits



Net Assets



Sales



2007 Taxes

Concepts	Acindar	Acindar do Brasil	Acindar Uruguay	CDSA	Agrinsa	Acindar Pymes	TOTAL
Income Tax	237,243,848	8,267,916	168	0	539,200	246,855	246,297,987
Social Security Duties	49,426,523	1,074,136	0	818,355	231,744	266,216	51,816,974
Bank Debits and Credits Tax	36,006,059	455,493	0	685,955	49,991	51,238	37,248,736
Gross Profit	15,881,949	10,877,987	0	643,859	0	182,546	27,586,341
Safety and Hygiene Rate	8,546,017	0	0	143,983	0	5,449	8,695,449
Exports Duties	5,607,889	0	0	0	0	0	5,607,889
Real state Taxes	379,614	0	0	0	178	1,822	381,614
Local Taxes	588,227	0	0	0	0	0	588,227
Total	353,680,126	20,675,532	168	2,292,152	821,113	754,126	378,223,217

Goals for 2008 Fiscal Year

The world economic growth of next year would be lower than that of 2007, mainly because of the international financial crisis. However, as regards the steel market, a growing demand is expected from the emerging countries: China, India, Brazil, among others, where at present steel consumption has a high potential and which together contribute more than a third to world growth.

Emerging economies continue to show a significant dynamism, driven by the strong global demand. In this context, we think the activity in the region will keep its high expansion rate.

Locally, we expect Argentina to continue with a high growth rate, although lower than that of the last years, converging at a rate of 7%, strengthened by a strong domestic demand.

In spite of the energy restrictions foreseen for the current year, it is expected that the industry and construction activities will continue to show high activity rates and, consequently, the demand for our products will keep on being high.

In view of the above, the Company has developed an investment plan which will allow higher added value products, the increase of its production capacity and the optimization of its facilities.

As regards costs, price increases of most of inputs are expected, mainly of those of higher importance in Acindar's production matrix: gas and electricity, as well as increases in the labour cost; for that reason, efforts will continue in order to increase efficiency and keep the Company at a high level of competitiveness.

This year offers a new opportunity for the Company to capture the opportunities of Argentine economy, showing the achieved competitiveness level.

