
PRESS RELEASE

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Monterrey : Techint sets up HYL Technologies SA de CV.

Company announces 3 new DR contracts

Monterrey, Mexico (February 1, 2006) — HYL Technologies, S.A. de C.V. is the official name of the company established by Techint in order to commercialize and implement direct reduction plant projects for the world market. The HYL process has thus become part of the wide portfolio of Techint Technologies.

Roberto Pancaldi, President & CEO of HYL Technologies, stated that "...The synergy between the long established HYL brand name and technological expertise, and the strength and reputation of Techint Technologies, makes a perfect match for further serving the needs of the steelmaking market. The HYL Process is a valued addition to Techint's line of steel mill technologies."

Techint brings its experience as a major steel and DRI producer (with an annual production in excess of 7.4 million tons of DRI), as well as its wide network of offices and affiliates to the table, giving HYL Technologies broader access to the market, including the ability to participate in full turn key projects for integrated mills as well as technology packages, depending on the customer requirements.

Carlos Garza, General Director of HYL Technologies, said the change "is important not only for HYL, but for our customers as well. Our orientation from this point forward is to the market on a primary basis. The focus of Techint Technologies is definitely on providing the perfect fit of technology, equipment and services for the

customer and in that regard HYL Technologies will play a key role with them in the direct reduction and electric furnace plant market.”

Three New DR Plant Contracts

In its new configuration as a Techint Company, HYL Technologies has already obtained three contracts for new DR capacity.

- Al Nasser Industrial Enterprise (ANIE) has signed a contract with HYL Technologies, S.A. de C.V. for a 200,000 metric tpy HYL Micro-Module to be installed at Mussafah, Abu Dhabi Industrial City. The plant uses the HYL ZR reformerless process, carrying out both gas reforming and ore reduction in the reduction shaft furnace. This will be the third HYL ZR Process plant to be installed; the Hylsa 4M plant has been in operation since 1998 and the Hylsa 3M5 plant was converted to the ZR configuration in 2001. The HYL Micro-Module is designed to satisfy the high quality iron requirements of small steel producers, with annual production of 200,000 mtpy at a specific investment cost similar to larger module plants. This first of its kind Micro-Module will be supplied by HYL Technologies on a turn key basis. The overall project calls for a DRI/EAF/ladle furnace/continuous casting mill and will boost ANIE’s total steel production capacity to 600,000 tpy. The contract signed between HYL Technologies and Al Nasser calls for the new Micro-Module plant to begin operation in 2007.
- Mittal Steel Lazaro Cardenas, in the state of Michoacan, Mexico, has begun work with HYL Technologies for the upgrade of their 2 million tpy HYL Process plant. This upgrade will not only increase plant production capacity by 500,000 tpy, but it will reduce natural gas consumption. The

existing HYL plant, a 4-reactor installation which in 2004 produced at 120% of rated capacity, will have an annual production approaching 3 million tons when the project is completed later this year. With the current high prices of natural gas in Mexico, MSLC will be able to increase production by 20% while using 20% less natural gas.

- Vikram Ispat – Grasim in India has signed a contract with HYL Technologies to develop a 600,000 tpy capacity expansion to their existing HYL DR/HBI plant. The additional module will use the state-of-the-art HYL ZR reformerless technology, and will produce high-carbon DRI for the Indian market. Grasim currently operates the world's only dual discharge DR plant, producing 750,000 tpy of both merchant HBI and DRI. The project is expected to commence later this year once engineering work has been concluded.