



International Briquettes Holding, IBH
Contact: Antonio Osorio
Investor Relations
Telephone: 58-2127-707 6280
Fax: 58-212-707 6353
E-mail: aosorio@ibhusa.com

FOR IMMEDIATE DISTRIBUTION

IBH REPORTS RESULTS FOR THE FIRST QUARTER OF THE FISCAL YEAR

CARACAS, JANUARY 29, 2010.

As stated in the Report submitted by the Board of Directors to the Shareholders at their Meeting held on January 28, 2010, the assets, liabilities and results of Venprecar and Orinoco Iron operations were consolidated in the financial statements of International Briquettes Holding only up to June 30, 2009. The results of these subsidiaries' operations until that date and for all prior periods were reclassified and presented under the "Net Profit (Loss) from Discontinued Operations" item.

Additionally, following the announcement regarding the nationalization of Venprecar and Orinoco Iron by the Venezuelan Government, IBH's Senior Management decided to refocus the company's strategy toward international sales of products intended for industrial sectors, an area where the company has gathered considerable expertise. Products sold include machinery, industrial parts, raw materials and intermediate and finished products. The introduction of new lines of products for sale and the company's ability to take advantage of business opportunities that opened up during the year were two factors that significantly impacted performance in this business during the 2009 fiscal year and the first quarter of the 2010 fiscal year.

ANALYSIS OF RESULTS FOR THE QUARTER

Ongoing Operations

Pursuant to the accounting treatment that was agreed upon as a result of the announcement regarding the nationalization of Venprecar and Orinoco Iron by the Venezuelan Government, the business lines reflected by IBH are linked only to sale related services.

- Net income from commercial services: During the first quarter of the 2010 fiscal year, which ended on December 31, 2009, International Briquettes Holding (IBH) recorded income from commercial services in the amount of US\$ 1.8 million, US\$ 1.1 million less than the figure recorded for the same quarter of the prior fiscal year, representing a 36% reduction due to the decline of international markets in 2009, which negatively impacted IBH's sales volume due to the fact that customers acquired less machinery and equipment as a result of cuts in their investment and purchasing spending brought about by the low level of operations.
- Operating profit: The company's operating profit was US\$ 896,000 during the October-December 2009 quarterly period, compared to the operating profit of US\$ 2.2 million during the October-December 2008 quarterly period. The operating profit decreased by 59.2% as compared to the October-December 2008 quarterly period. The difference of US\$ 1.3 million difference is explained primarily by the reduction in the level of income from commercial services during the quarter, as well as by the lower figure of US\$ 434,000 recorded for other income, which was partially offset by a reduction of US\$ 157,000 in administrative expenses.
- Interest and other financial costs: Interest and other financial costs totaled US\$ 1.1 million, representing a US\$ 211,000 increase as compared to the same quarter of the prior fiscal year, due to the accumulation of balances subject to interest.
- Net profit (loss) from ongoing operations attributable to IBH shareholders: As a result of the circumstances analyzed above, the net loss attributable to IBH shareholders from ongoing operations was US\$ 214,000, compared to the profit of US\$ 1.3 million for the same quarter of the prior year.

Discontinued operations

- Net profit (loss) from discontinued operations attributable to IBH shareholders: As mentioned above, the results of the companies undergoing the nationalization process were accounted for until June 30, 2009. Consequently, for the current October-December 2009 quarterly period, these results are not reflected in this account, compared to a loss of US\$ 20.8 million for the October-December 2008 quarterly period, primarily due to the fact that during that period a provision was made for the valuation of a loan in US dollars of one of the subsidiaries, which significantly increased financial costs.

Net result for the year

- Net profit (loss) for the year attributable to IBH shareholders: The total net result attributable to IBH shareholders from ongoing and discontinued operations during the first quarter of the 2010 fiscal year was a loss of US\$ 214,000, compared to the loss of US\$ 19.5 million during the same period of the 2009 fiscal year. The variation of US\$ 19.3 million is primarily due to the loss from discontinued operations during the October-December 2008 quarterly period, as stated above.

NATIONALIZATION OF VENPRECAR AND ORINOCO IRON BY THE STATE

As stated in the 2009 Annual Report submitted by the Board of Directors to the Shareholders at their Meeting held on January 28, 2010, the most relevant occurrence during the 2009 fiscal year was the announcement of the nationalization of Venprecar and Orinoco Iron by the Venezuelan Government, together with the remainder of the private companies that are part of the briquetting sector in the country. The announcement was made by the President of the Republic on May 21, 2009 during an act that was broadcast on national television and widely publicized in other national communication media. On May 25th, Venprecar and Orinoco Iron were notified by the People's Power Ministry for Basic Industries and Mining regarding the organization and creation of a "Transitional Commission" for each of the companies. Subsequently, Decree 6.796 appeared in the July 14th issue of the Official Gazette mandating, among other things: a) the acquisition of Venprecar and Orinoco Iron assets, their subsidiaries and affiliated companies, domiciled in the national territory, and whose purpose is related to the conversion of iron ore, and b) the organization of 1) the "Transitional Commissions" that will immediately take control of operations in order to guarantee the transfer and continuity of company activities, and 2) a "Technical Commission" integrated by company and government representatives, in order to agree upon an appraisal, for which a period of 60 days has been established. This 60-day period may be extended by the parties by 60 additional days. Six months after the Decree was published, the works to transfer operations and arrive at an agreement concerning the appraisal are still ongoing.

Following the announcement regarding the nationalization of Venprecar and Orinoco Iron by the Venezuelan Government, IBH Management decided to refocus the company's strategy toward the sale of products intended for industrial sectors, an area where the company has been gathering expertise during the past few years.

DIVIDEND

At their regular Shareholders Meeting held on January 22, 2009, IBH shareholders approved a dividend in the amount of Bs. 19,897,520 from distributable profits reflected in financial statements at September 30, 2008, payable in cash at the rate of Bs. 1.00 per share. On January 21st, an announcement was published setting January 28, 2010 as the Deadline for Transactions with a Benefit, and February 3, 2010, as the Effective Benefit Registration Date.

International Briquettes Holding, IBH, consolidates companies engaged in the sale of various types of products for industrial sectors, including machinery, industrial parts, raw materials, and intermediate and finished products.



INTERNATIONAL BRIQUETTES HOLDING AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

(Thousands of U.S. dollars)

	<u>December, 31</u>	
	<u>2009</u>	<u>2008</u>
Assets		
Current assets:		
Cash and cash equivalents	6.351	33.870
Deposit in guarantee	1.132	239
Accounts receivable	3.578	91.302
Related companies	5.863	26.106
Inventories	11.063	42.700
Advances to suppliers	331	8.475
Prepaid expenses and other current assets	180	6.811
	<hr/>	<hr/>
Total current assets	28.498	209.503
Property, plant and equipment, net	1.295	1.165.475
Investment available for sale	904.692	-
Other assets	682	12.917
	<hr/>	<hr/>
Total assets	935.167	1.387.896
	<hr/> <hr/>	<hr/> <hr/>
Liabilities and Shareholders' Equity		
Current Liabilities		
Short-term portion of loan-related	-	6.977
Accounts payable	-	-
Suppliers	821	91.189
Shareholders and related companies	8.299	49.417
Dividends payable	9.255	-
Profit sharing, vacations and other personnel accruals	-	6.328
Other liabilities	423	71.154
Total current liabilities	18.798	225.065
Long-term supplier	-	-
Accounts payable to shareholder	-	26.009
Accrual for employee termination benefits, net of advances to employees	-	16.277
Deferred income tax	-	58.652
Other long-term liabilities and accruals	6.500	-
	<hr/>	<hr/>
Total liabilities	25.298	326.004
	<hr/> <hr/>	<hr/> <hr/>
Shareholders' Equity		
Capital Stock	199	199
Share premium	107.202	107.202
Revaluation of fixed assets	206.513	199.806
Net effect of combination (merger) of subsidiaries	176.181	176.181
Difference between fair value and cost of shares of subsidiary	491.073	491.072
Retained earnings (deficit)		
Legal reserve	6.093	6.093
Retained earnings (deficit)	(77.392)	46.455
Total shareholders' equity	909.869	1.027.009
	<hr/>	<hr/>
Minoritary interests	-	34.883
	<hr/>	<hr/>
Total shareholders' equity	909.869	1.061.892
	<hr/> <hr/>	<hr/> <hr/>
Total liabilities and shareholders' equity	935.167	1.387.896



INTERNATIONAL BRIQUETTES HOLDING AND ITS SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT

(Thousands of U.S. dollars)

	<u>Period ended December, 31</u>	
	<u>2009</u>	<u>2008</u>
Continuing Operations		
Income for commercial services	1.837	2.860
Administrative expenses	(876)	(1.033)
Other income (expense), net	(65)	369
Operating income (loss)	<u>896</u>	<u>2.196</u>
Interest and other financial expense	(1.110)	(899)
Income (loss) before taxes	(214)	1.297
Discontinued operation		
Net Income (Loss) for discontinued operation	-	(21.668)
Net Income (loss)	<u>(214)</u>	<u>(20.370)</u>
Attributable to IBH shareholders		
Continuing operations	(214)	1.297
Discontinued operations	-	(20.783)
	<u>(214)</u>	<u>(19.486)</u>
Minoritary interests	-	(884)
	<u>(214)</u>	<u>(20.370)</u>
Net income (loss) per share	<u>(0,011)</u>	<u>(1,024)</u>
Weighted average of outstanding shares	<u>19.897.520</u>	<u>19.897.520</u>