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IBH REPORTS RESULTS FOR THE THIRD QUARTER OF THE FISCAL YEAR

CARACAS, JULY 30, 2010.

As we have reported, following the announcement regarding the nationalization of Venprecar and Orinoco Iron by the state in May 2009, 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 loss from discontinued operations" item.

Similarly, and as a result of the nationalization of Venprecar and Orinoco Iron by the state, IBH's Senior Management has been primarily focused on reaching an agreement with government representatives concerning the appraisal. In addition, Management decided to refocus the company's strategy toward international sales of products intended for industrial sectors.

As of February 5, 2010, control over the operations and management of Orinoco Iron and Venprecar has been exercised, on an exclusive basis, by the Venezuelan government, executing the provisions of Article 5 of Presidential Decree No. 6.796 dated July 14, 2009.

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 state, the business lines reflected by IBH are linked only to sale related services.

Net income from commercial services: International Briquettes Holding (IBH) recorded income from commercial services of US \$654,000 during the third quarter of the 2010 fiscal year that ended June 30, 2010, a figure that is US \$2.16 million lower than the income recorded for the same quarter of the prior fiscal year. This reduction is explained by the slowdown in the recovery of international markets from their collapse in 2009; some major customers have postponed the acquisition of machinery and equipment, as well as supply purchases, as a result of the slow recovery in their levels of operation. In addition, industrial production in Venezuela declined due to severe limitations in power supply.

Operating profit: The company had an operating loss of US \$154,000 during the April-June 2010 period, compared to the operating profit of US \$8.0 million during the April-June period in 2009. This US \$8.16 million decrease is explained by the reduction in income from commercial services described in the preceding paragraph, and the fact that during the April-June quarter of fiscal year 2009 the company had non-recurring income of US \$6.05 million from financial operations and royalties.

Net financial income: Net financial income was US \$723,000, compared to a net financial expense of US \$7,000. Net financial income for the third quarter of fiscal year 2010 originates primarily from the valuation of commercial accounts payable in euros with a number of vendors.

Net profit from ongoing operations attributable to IBH shareholders: As a result of the analysis presented above, the net profit from ongoing operations attributable to IBH shareholders in the third quarter of fiscal year 2010 was US \$569,000, compared to a profit of US \$8.0 million for the same quarter of the preceding year.

Discontinued operations

Net loss from ongoing 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, no results for the current April-June 2010 quarter are reflected in this account, compared to a loss of US \$40.0 million for the April-June 2009 quarter, primarily due to the drastic reduction in steel production activity worldwide since late 2008, which caused the sale price of briquettes to be proportionally lower than the increased manufacturing and sales 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 third quarter of fiscal year 2010 was a profit of US \$569,000, compared to the loss of US \$32.0 million for the same period of fiscal year 2009. The US \$32.6 million variation is primarily due to the loss from discontinued operations during the April-June 2009 quarter, 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 state, together with the remainder 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 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. The transfer of control over the operations and management of Orinoco Iron and Venprecar was carried out on February 5, 2010, as was timely reported.

Nine months after the publication of the Decree mandating the nationalization of Venprecar and Orinoco Iron by the State, efforts are still ongoing to arrive at an agreement concerning the appraisal, an activity to which IBH Senior Management has been dedicated

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>June, 30</u>	
	<u>2010</u>	<u>2009</u>
Assets		
Current assets:		
Cash and cash equivalents	3.718	18.120
Deposit in guarantee	1.556	-
Accounts receivable	2.486	74.015
Related companies	7.902	537
Inventories	10.842	17.613
Advances to suppliers	68	2.130
Prepaid expenses and other current assets	3	13.137
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Total current assets	26.576	125.552
Property, plant and equipment, net	1.391	1.156.334
Investment available for sale	906.731	-
Other assets	683	11.129
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Total assets	935.381	1.293.014
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Liabilities and Shareholders' Equity		
Current Liabilities		
Short-term portion of loan-banks		4.651
Short-term portion of loan-related	-	31.050
Accounts payable		
Suppliers	1.210	63.629
Shareholders and related companies	9.947	25.654
Dividends payable	3.896	12.913
Profit sharing, vacations and other personnel accruals	-	1.322
Other liabilities	437	60.937
Total current liabilities	15.491	200.156
Long-term supplier	-	-
Long-term related	-	14.513
Accrual for employee termination benefits, net of advances to employees	-	16.514
Deferred income tax	-	46.033
Other long-term liabilities and accruals	1.700	30.038
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Total liabilities	17.191	307.254
Shareholders' Equity		
Capital Stock	199	199
Share premium	107.202	107.202
Revaluation of fixed assets	206.513	206.649
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	10.706
Retained earnings (deficit)	(69.071)	(37.730)
Total shareholders' equity	918.190	954.280
Minoritary interests	-	31.481
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Total shareholders' equity	918.190	985.761
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Total liabilities and shareholders' equity	935.381	1.293.014
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INTERNATIONAL BRIQUETTES HOLDING AND ITS SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT

(Thousands of U.S. dollars)

	<u>Quarter ended June, 30</u>	
	<u>2010</u>	<u>2009</u>
Continuing Operations		
Income for commercial services	654	2.816
Administrative expenses	(899)	(852)
Other income net	91	6.045
Operating income	<u>(154)</u>	<u>8.010</u>
Financial income net	723	(7)
Income from continuing operations	569	8.003
Discontinued operation		
Net loss for discontinued operation	-	(41.666)
Net Income (loss)	<u><u>569</u></u>	<u><u>(33.663)</u></u>
Attributable to IBH shareholders		
Continuing operations	569	8.003
Discontinued operations	-	(40.008)
	<u>569</u>	<u>(32.005)</u>
Minoritary interests	-	(1.658)
	<u>569</u>	<u>(33.663)</u>
Net income (loss) per share	<u>0,029</u>	<u>(1,692)</u>
Weighted average of outstanding shares	<u>19.897.520</u>	<u>19.897.520</u>



INTERNATIONAL BRIQUETTES HOLDING AND ITS SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT

(Thousands of U.S. dollars)

	<u>Nine months ended June, 30</u>	
	<u>2010</u>	<u>2009</u>
Continuing Operations		
Income for commercial services	4.288	17.162
Administrative expenses	(3.503)	(3.029)
Other income net	311	6.485
Operating income	<u>1.096</u>	<u>20.617</u>
Financial income (expenses), net	7.012	(13)
Income from continuing operations	8.108	20.604
Discontinued operation		
Net Income (Loss) for discontinued operation	-	(120.473)
Net Income (loss)	<u>8.108</u>	<u>(99.870)</u>
Attributable to IBH shareholders		
Continuing operations	8.108	20.604
Discontinued operations	-	(115.672)
	<u>8.108</u>	<u>(95.068)</u>
Minoritary interests	-	(4.801)
	<u>8.108</u>	<u>(99.870)</u>
Net income (loss) per share	<u>0.407</u>	<u>(5.019)</u>
Weighted average of outstanding shares	<u>19.897.520</u>	<u>19.897.520</u>