



International Briquettes Holding, IBH  
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## FOR IMMEDIATE DISTRIBUTION

### **IBH FIRST QUARTER RESULT FOR FISCAL YEAR 2012**

CARACAS, JANUARY 31, 2012.

As a result of the accounting treatment agreed due to the announcement of Venprecar and Orinoco Iron "nationalization", as of June 30, 2009, the accounts for Orinoco Iron and Venprecar, are not included in IBH's Financial Statements. The results prior to that date were reclassified and presented in the item "net loss of discontinued operation." Consequently, the results of IBH are linked to commercialization services.

#### QUARTER RESULTS ANALYSIS

Income from commercial service net: During the first quarter of 2012 fiscal year, ending on January 30th 2012, IBH registered a net income of US\$ 345 thousand for commercial services, which represents an increase of 84% compared with the same quarter of fiscal year 2011. This net income increase of US\$ 162 thousand is due to an increase of sales of commercialized goods and services.

Operating Loss: IBH had an operating loss of US\$ 32 thousand during the October- December 2011 quarter, compared with an operating loss of US\$ 1.2 million during the same quarter on 2010 fiscal. The US\$ 1,1 million decrease on operating losses during the reported quarter compared with the same quarter on the previous year is primarily due to: i) diminution of labor related expenses due to a restructuration of personnel. ii) Registration of employee settlement costs by reducing the payroll during the period October-December 2010, and, iii) the registration of non-recurring costs close to U.S. \$135 thousand in the item general and administrative expenses, corresponding to professional fees for audit of fiscal years 2010 and 2011.

Interest expense, other financial expenses and exchange gain or loss, net: During the reported quarter, IBH had a US\$ 8 thousand interest income, compared to the US\$ 123 thousand in financial expenses registered on the same quarter in previous fiscal year. This improvement of US\$ 131 thousand is due to the full repayment of the financial debt of IBH.

Taxes: During the first reported quarter, IBH registered a tax expense of US\$ 3 thousand. The tax expense for the quarter was caused by the recognition and payment of taxes related to the County in which IBH's office is located in the U.S.

Net Loss: In total, IBH's net results, on the first quarter of fiscal year 2012 was a net loss of US\$ 27 thousand compared to a loss of US\$ 1.3 million for the same period in fiscal year 2011, this represents an improvement of \$ 1.3 million reported in the quarter versus the same quarter last year.

#### VENPRECAR AND ORINOCO IRON NATIONALIZATION

On July 6, 2011, an Extraordinary Assembly took place, in which it was reported in detail to the shareholders of the Company the steps taken by IBH's management regarding the process of nationalization of Orinoco Iron and Venprecar, recent actions of management have focused on trying to establish with the MIBAM a work schedule in order to agree on fair compensation, in an expeditious and mutually satisfactory manner. The detailed explanation of all procedures developed by IBH's management in the process of nationalization of Orinoco Iron and Venprecar is available on the site [www.ibh.com.ve](http://www.ibh.com.ve) where shareholders can access all information provided at the Extraordinary Assembly regarding this matter.

During the quarter, the Board of Directors and management of IBH unsuccessfully continued their efforts to resume negotiations with the official sector in order to reach an agreement that involves fair compensation, for the companies Orinoco Iron and Venprecar from the Venezuelan Government.

#### PUBLIC OFFERING OF SHARES WITHDRAWAL

As timely reported, IBH's Extraordinary Meeting of Shareholders Assembly, held on July 6, 2011, approved the request before the National Superintendence of Securities (SNV) of the withdrawal from public offer as well as the termination of the registration in the National Registry of Securities carried by the National Superintendence of Securities of the Bolivarian Republic of Venezuela, of the 20,115,000 common shares comprising the total stock capital of IBH that are listed on such register, including retiring those shares from the board of quotes from the Caracas Stock Exchange. On August 3rd 2011 the BCV informed IBH that on July 15, 2011

during their regular session the Board of Directors approved IBH's request to withdraw from the board of quotes all of its shares. The SNV authorized the withdrawal of public offer and cancellation of registration in the National Registry of Securities of 20,115,000 common shares of IBH by Resolution No. 155 of September 21, 2011, published in the Official Gazette of the Bolivarian Republic of Venezuela No. 39,773 dated October 6, 2011. The report presented the Board of IBH on this point, is available to shareholders on the site [www.ibh.com.ve](http://www.ibh.com.ve).

*International Briquettes Holding, IBH, consolidates companies engaged in the commercialization and marketing of various kinds of products aimed at industrial sectors, most notably, machinery, industrial parts, raw materials, intermediate and finished products.*

INTERNATIONAL BRIQUETTES HOLDING Y SUS FILIALES

CONSOLIDATED BALANCE SHEET

	<u>As of December 31, 2010</u>	<u>As of December 31, 2011</u>
	(Dolars Thousand)	(Dolars Thousand)
<b>Assets</b>		
Current Assets		
Cash	2.062	2.699
Escrow Deposits	-	
Accounts Receivables		
Commercial	1.055	2.327
Related Companies	5.713	9.984
Inventory	10.073	2.812
Advances to Suppliers	195	184
Prepaid expenses and other current Assets	<u>2</u>	<u>253</u>
<b>Total Current Assets</b>	<b>19.100</b>	<b>18.259</b>
Property, Plant and Equipment, net	77	23
Investment in companies in the process of "nationalization"	902.984	902.984
Other Assets	<u>151</u>	<u>154</u>
<b>Total Assets</b>	<b><u>922.312</u></b>	<b><u>921.420</u></b>
<b>Liabilities and Shareholders' Equity</b>		
Current Liabilities		
Accounts Payable		
Suppliers	1.222	4.026
Shareholders' and Related Companies	11.121	12.304
Dividends Payable	95	95
Utilities, vacations and other personnel accruals	525	-
Other liabilities and accruals	<u>288</u>	<u>55</u>
<b>Total Current Liabilities</b>	<b>13.251</b>	<b>16.480</b>
Other liabilities and long-term accruals	744	
<b>Total Liabilities</b>	<b><u>13.995</u></b>	<b><u>16.480</u></b>
<b>Equity</b>		
Social Capital	199	199
Premium on issue of shares	107.202	107.202
Revaluation of fixed assets of discontinued operation	206.513	206.513
Net effect of combination (merger) of subsidiaries	176.181	176.181
Difference between fair value and cost of shares in subsidiary	491.073	491.073
Retained earnings (deficit)		
Legal Reserve	6.093	6.093
Available (deficit)	<u>(78.944)</u>	<u>(82.321)</u>
<b>Total Equity</b>	<b><u>908.317</u></b>	<b><u>904.940</u></b>
<b>Total Liabilities and Equity</b>	<b><u>922.312</u></b>	<b><u>921.420</u></b>

	<u>Three month ended 31</u> <u>December</u> <u>2010</u> (Dolars Thousand)	<u>Three month ended 31</u> <u>December</u> <u>2011</u> (Dolars Thousand)
Income from commercial services	192	354
General and Administrative Expenses	(1.365)	(399)
Other Operations Income (expenses) net	<u>(1)</u>	<u>13</u>
<b>Operating Income (Loss)</b>	<b><u>(1.174)</u></b>	<b><u>(32)</u></b>
Interest expense, other financial expenses and exchange gain or loss, net	<u>(123)</u>	<u>8</u>
<b>Net Operating Loss</b>	<b><u>(1.297)</u></b>	<b><u>(24)</u></b>
Taxes	-	(3)
<b>Net Loss</b>	<b><u>(1.297)</u></b>	<b><u>(27)</u></b>
Net Loss per Share	<u>(0,065)</u>	<u>(0,001)</u>
Weighted average of outstadning shares	<u>19.897.520</u>	<u>19.897.520</u>