



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

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**IBH REPORTS RESULTS FOR THE SECOND QUARTER OF THE FISCAL YEAR**

CARACAS, APRIL 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.

On February 5, 2010, the Vice Minister of Mining at the People's Ministry for Basic and Mining Industries (MPPIBAM), Mr. Iván Hernández, personally appeared at the plant facilities located in Puerto Ordaz, owned by Orinoco Iron and Venprecar, respectively, with the purpose of taking control over the operations and management of said companies, on an exclusive basis, on behalf of the Venezuelan Government, executing the provisions of Article 5 of Presidential Decree No. 6.796 dated July 14, 2009. The transfer of control over the operations and management of Orinoco Iron and Venprecar as companies that are currently operating, to the Bolivarian Republic of Venezuela was carried out by means of a Judicial Inspection requested by the MPPIBAM. As a result of said transfer, the Boards of Directors of said companies ceased to act as such.

On January 8, 2010, by means of Exchange Agreement No. 14, the National Executive Branch agreed with Banco Central de Venezuela upon a change in the national exchange regime, going from an official fixed exchange rate of 2.15 bolivares per U.S. dollar to a multiple change regime with rates of 2.6 bolivares per U.S. dollar and 4.30 bolivares per U.S. dollar applicable to foreign exchange purchase transactions according to the sectors specified in the above mentioned Exchange Agreement.

IBH's operating currency is the U.S. dollar and its main ongoing operations and assets are located abroad, for which reason its operating income, costs and assets are received, caused and denominated in U.S. dollars and are not affected by the change in the above mentioned exchange regime. However, on the date the new exchange rate mentioned above was set, IBH had net liabilities denominated in bolivares which, upon being translated to the new exchange rate, produced a profit as a result of the exchange. This result is presented in the "Net Financial Income" item in the enclosed consolidated statement of operations.

#### 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\$ 1.8 million during the second quarter of the 2010 fiscal year that ended March 31, 2010, a figure that is US\$ 9.7 million lower than the income recorded for the same quarter of the prior fiscal year, an 84% reduction brought about 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.

Operating profit: The company's operating profit was US\$ 353,000 for the January-March 2010 quarter, compared to the operating profit of US\$ 10.4 million during the January-March 2009 period. This US\$ 10.1 million decrease is primarily explained by the US\$ 9.7 million reduction in net income from commercial services during the quarter. The US\$ 584,000 increase in general and administrative expenses was partially offset by the US\$ 214,000 increase in other income.

Net financial income: Net financial income was US\$ 7.4 million, representing an increase of

US\$ 6.5 million as compared to the same quarter of the prior fiscal year, primarily due to the effects of the devaluation on IBH liabilities denominated in bolivares, as explained above.

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 was US\$ 7.8 million, compared to a profit of US\$ 11.3 million for the same quarter of the prior 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 January-March 2010 quarter are reflected in this account, compared to a loss of US\$ 57.1 million for the January-March 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 second quarter of the 2010 fiscal year was a profit of US\$ 7.8 million, compared to the loss of US\$ 45.8 million for the same period of the 2009 fiscal year. The variation of US\$ 53.6 million is primarily due to the loss from discontinued operations during the January-March 2009 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 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. This 60-day period may be extended by the parties by 60 additional days. Six months after the Decree was published, the works to finalize the transfer of 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 state, IBH's Senior Management decided to refocus the company's strategy toward the sale of products intended for industrial sectors. This activity comprises IBH's main business at the present time.

As mentioned above, On February 5, 2010, the Vice Minister of Mining at the People's Ministry for Basic and Mining Industries (MPPIBAM), Mr. Iván Hernández, personally appeared at the plant facilities located in Puerto Ordaz, owned by Orinoco Iron and Venprecar, respectively, with the purpose of taking control over the operations and management of said companies, on an exclusive basis, on behalf of the Venezuelan Government.

*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>March, 31</u>	
	<u>2010</u>	<u>2009</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	3.680	19.698
Deposit in guarantee	1.556	-
Accounts receivable	2.652	72.994
Related companies	5.245	11.968
Inventories	10.904	38.781
Advances to suppliers	252	3.816
Prepaid expenses and other current assets	181	7.817
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<b>Total current assets</b>	<b>24.470</b>	<b>155.074</b>
Property, plant and equipment, net	1.404	1.162.370
Investment available for sale	906.754	-
Other assets	683	12.411
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<b>Total assets</b>	<b>933.311</b>	<b>1.329.856</b>
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<b>Liabilities and Shareholders' Equity</b>		
Current Liabilities		
Short-term portion of loan-related	-	6.977
Accounts payable	-	-
Suppliers	718	57.577
Shareholders and related companies	8.526	61.728
Dividends payable	3.896	-
Profit sharing, vacations and other personnel accruals	-	9.629
Other liabilities	350	85.480
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<b>Total current liabilities</b>	<b>13.490</b>	<b>221.391</b>
Long-term supplier	-	-
Accounts payable to shareholder	-	26.115
Accrual for employee termination benefits, net of advances to employees	-	16.893
Deferred income tax	-	47.399
Other long-term liabilities and accruals	2.200	-
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<b>Total liabilities</b>	<b>15.690</b>	<b>311.798</b>
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Shareholders' Equity		
Capital Stock	199	199
Share premium	107.202	107.202
Revaluation of fixed assets	206.513	207.952
Net effect of combination (merger) of subsidiaries	176.181	176.181
Difference between fair value and cost of shares of subsidiary	491.073	491.073
Retained earnings (deficit)	-	-
Legal reserve	6.093	10.706
Retained earnings (deficit)	(69.640)	(8.338)
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<b>Total shareholders' equity</b>	<b>917.621</b>	<b>984.975</b>
Minoritary interests	-	33.083
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<b>Total shareholders' equity</b>	<b>917.621</b>	<b>1.018.057</b>
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<b>Total liabilities and shareholders' equity</b>	<b>933.311</b>	<b>1.329.856</b>
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INTERNATIONAL BRIQUETTES HOLDING AND ITS SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT

(Thousands of U.S. dollars)

	<u>Quarter ended March, 31</u>	
	<u>2010</u>	<u>2009</u>
<b>Continuing Operations</b>		
Income for commercial services	1.797	11.486
Administrative expenses	(1.728)	(1.145)
Other income net	285	70
<b>Operating income</b>	<u>353</u>	<u>10.411</u>
Financial income net	7.399	892
<b>Income from continuing operations</b>	<b>7.752</b>	<b>11.304</b>
<b>Discontinued operation</b>		
Net loss for discontinued operation	-	(57.140)
<b>Net Income (loss)</b>	<u>7.752</u>	<u>(45.836)</u>
<b>Attributable to IBH shareholders</b>		
Continuing operations	7.752	11.304
Discontinued operations	-	(54.881)
	<u>7.752</u>	<u>(43.577)</u>
Minoritary interests	-	(2.259)
	<u>7.752</u>	<u>(45.836)</u>
Net income (loss) per share	<u>0.390</u>	<u>(2,304)</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>Six months ended March, 31</u>	
	<u>2010</u>	<u>2009</u>
<b>Continuing Operations</b>		
Income for commercial services	3.634	14.346
Administrative expenses	(2.604)	(2.177)
Other income net	220	439
<b>Operating income</b>	<u>1.250</u>	<u>12.607</u>
Financial income (expenses), net	6.289	(6)
<b>Income from continuing operations</b>	<b>7.539</b>	<b>12.601</b>
<b>Discontinued operation</b>		
Net Income (Loss) for discontinued operation	-	(78.808)
<b>Net Income (loss)</b>	<u>7.539</u>	<u>(66.207)</u>
<b>Attributable to IBH shareholders</b>		
Continuing operations	7.539	12.601
Discontinued operations	-	(75.664)
	<u>7.539</u>	<u>(63.063)</u>
Minoritary interests	-	(3.144)
	<u>7.539</u>	<u>(66.207)</u>
Net income (loss) per share	<u>0.379</u>	<u>(3.327)</u>
Weighted average of outstanding shares	<u>19.897.520</u>	<u>19.897.520</u>

