Interceramic®

Fourth Quarter 2008

This document contains forward-looking statements which reflect the Company's views about future events and financial performance. Actual events and results could differ materially from these statements. Readers are cautioned not to place undue reliance on these forward looking statements, which speaks only of their dates and the Company undertakes no obligation to update or revise any of them.

Interceramic Reports It's Fourth Quarter Financial Results

Despite the global economic collapse and a relatively poor fourth quarter of the year, Interceramic ended 2008 posting another year of record sales, exceeding US $500 million for the first time in Company history. Our net sales for 2008 were US $508.2 million, an increase of 2.8 percent over sales of US $494.2 million for 2007. While this was a good result, the shocking onset of the world financial crisis towards the end of the year resulted in fourth quarter 2008 sales dropping by 13.6 percent over the same quarter last year. Primarily but not exclusively because of the downturn in the fourth quarter, our gross margin for 2008 dropped down to 33.3 percent compared to 34.8 percent last year. Margin was further impacted by heavy discounting of many products sold in the United States market to cleanup inventories, as well as lower capacity utilization that resulted in higher absortion of fixed costs.

Operating income dropped to US $10.5 million for the year compared to the US $24.0 million posted last year, a 56.3 percent decrease. Operating expenses as a percentage of sales climbed to 31.2 percent in 2008, up from 29.9 percent in 2007, and operating margin decreased as well, down to 2.1. percent for the year as opposed to 4.9 percent last year. As might be expected, the Company's EBITDA for 2008 decreased in 2008 from 2007, down 20.5 percent to US $40.8 million from US $51.3 million in 2007. Lower EBITDA and the impact of the devaluation of the Mexican Peso during the course of the year on our substatially all, Dollar denominated debt adversely impacted our key financial ratios, and our debt service coverage ratio at the end of 2008 was 3.8 times, compared to 5.6 at the end of last year, while debt to EBITDA rose to 5.6 times in 2008 from 3.1, where it stood at the end of 2007.

The erosion in our financial ratios over the latter part of 2008 resulted in technical violations of certain covenants contained in our major loan documentation, first at the end of the third quarter of the year and continuing to the end of 2008. These technical defaults have not involved the Company's payment obligations on its indebtedness, and we are and have been current on all principal and interest requirements under our loan documentation, including payment of a scheduled US $8.0 million principal amortisation in December 2008. The Company has been in negotiations with its lenders over the past months to extend the amortisation of its outstanding syndicated credit facility and amend the financial covenants and other terms of the credit agreement to reflect the changing circumstances. It is likely that this renegotiation will also involve the pledging of certain of the Company's assets to secure the facility.

Because the Company was in violation of certain covenants last year, under applicable Mexican accounting rules the entire principal amount of our outstanding debt in technical default must be classified as short term as of the end of 2008. The adverse effect of this on our financial statements will be removed when, as we anticipate, the renegotiation of our credit agreement is completed.

The Mexican markets proved surprisingly resilient over the course of 2008 and although sales dropped in the fourth quarter in Mexico as well, Interceramic posted Mexican sales of US $308.9 million, a 4.2 percent increase over sales of US $296.5 million in 2007. As a general matter, our costs and expenses in Mexico are considerably less than in the United States, and our Mexican operations are key to our profitability. In the International markets, primarily the United States, we continue to struggle in the face of strong competition, higher cost structures and a severely depressed housing market. Our International sales for 2008 were pretty much flat over 2007, rising just 0.8 percent to US $199.3 million for the year compared to US $197.7 million last year. A bright spot for the year in the International markets was the contribution made by our late-2007 acquisition of the "IMC" granite and marble business in the Southwest United States, which materially assisted us in holding sales firm for the year.

The fourth quarter 2008 results fully reflect the widespread impact of the financial shock of late last year. Interceramic's fourth quarter sales of US $112.3 million, our lowest quarterly sales since the second quarter of 2006, decreased by 13.6 percent over the US $130.0 million recorded in the fourth quarter of 2007. Much of the decline was driven by an 11.3 percent decrease in sales in the United States for the fourth quarter of 2008 compared to the same period last year. Fourth quarter sales were also impacted by the Peso devaluation, as although our sales measured in Pesos for the quarter in Mexico were 3.1 percent higher than in the fourth quarter of 2007, translated into Dollars Mexican sales for the quarter were 15 percent lower than in the fourth quarter of 2007. Our first operating loss for a quarter in many years of US $2.6 million for the quarter compares to an operating income of US $4.5 million in the fourth quarter of 2007. EBITDA for the fourth quarter of 2008 came in at US $4.2 million compared to US $11.7 million in the last quarter of 2007, a 64.0 percent decrease.

There is no doubt these times will be difficult for Interceramic as well as virtually all of our competitors. We are working hard to reduce our costs and expenses, particularly in the United States, in order to ensure that Interceramic weathers the global economic storm ready to seize the opportunities that must arise as the construction markets, as they must, return. As always, we thank our investors, our customers and our employees for their continued support.

Oscar E. Almeida
Chairman of the Board

Víctor D. Almeida
Chief Executive Officer

RELEVANT FINANCIAL INFORMATION

INCOME STATEMENT (Thousands of Nominal US Dollars, except per Share data)	Oct-Dec '08	Oct-Dec '08 Vs. Oct-Dec '07	Jan-Dec '08	Jan-Dec '08 Vs. Jan-Dec '07
Net Sales	112,316	(13.6%)	508,180	2.8%
Cost of goods sold	(78,552)	(8.1%)	(339,125)	5.2%
Gross Income	33,764	(24.1%)	169,055	(1.7%)
Operating Expenses	(36,336)	(9.1%)	(158,564)	7.2%
Operating Income	(2,571)	(156.7%)	10,491	(56.3%)
Integral Cost of Financing	(33,454)	N.A.	(41,316)	N.A.
Interest Expense	(2,640)	(25.0%)	(11,653)	(0.1%)
Interest Income	266	(67.4%)	1,239	(50.1%)
Foreign Exchange Gain (Loss)	(31,080)	N.A.	(30,902)	N.A.
Other Expenses, Net	(3,236)	(57.6%)	(5,949)	(30.3%)
Income Tax	(1,342)	42.0%	(6,733)	45.1%
Deferred Income Tax	2,474	N.A.	374	N.A.
Minority Income	1,576	37.1%	3,869	(3.1%)
Net Majority Income	(39,704)	N.A.	(47,002)	N.A.
Weighted Average Number of Shares Outstanding (Thousands)	162,664	0.0%	162,664	0.0%
EPS	(0.24)	N.A.	(0.29)	N.A.

BALANCE SHEET (Thousands of Nominal US Dollars)	December 2008	Dec 2008 Vs. Dec 2007
Current Assets	228,323	(3.1%)
Cash Equivalents	16,048	(21.9%)
Fixed Assets	175,582	(25.0%)
Other non-current Assets	15,716	(28.1%)
TOTAL ASSETS	419,621	(14.7%)
Short-term Bank Debt	165,062	N.A.
Other short-term Liabilities	72,632	10.6%
Long-term Bank Debt	14,012	N.A.
Deferred Taxes	36,303	(17.8%)
Other long-term Liabilities	4,759	(14.4%)
TOTAL LIABILITIES	292,768	6.1%
Majority Shareholders' Equity	107,126	(43.1%)
Minority Interest	19,728	(28.6%)
TOTAL SHAREHOLDERS' EQUITY	126,854	(41.2%)

Note: “Unless otherwise indicated, all financial information are in accordance with Norms for Financial Information as determined by the “Consejo Mexicano para la Investigacion y Desarrollo de Normas de Informacion Financiera, A.C. (CINIF)”, and for purposes of clarity, information is also presented in nominal US Dollars dividing the nominal pesos for each month by the applicable average exchange rate for that month.”

Internacional de Cerámica, S.A.B. de C.V.

CERAMIC

RELEVANT FINANCIAL INFORMATION

INCOME STATEMENT (Thousands of Pesos except per Share data)	Oct-Dec '08	**Oct-Dec '08 Vs. Oct-Dec '07**	Jan-Dec '08	**Jan-Dec '08 Vs. Jan-Dec '07**
Net Sales	1,486,850	4.7%	5,640,663	2.5%
Cost of goods sold	(1,040,842)	11.5%	(3,774,896)	5.2%
Gross Income	446,008	(8.3%)	1,865,767	(2.6%)
Operating Expenses	(481,398)	10.3%	(1,764,599)	7.1%
Operating Income	(35,390)	(171.4%)	101,168	(62.3%)
Integral Cost of Financing	(437,427)	N.A.	(525,561)	N.A.
Interest Expense	(35,096)	(8.7%)	(129,945)	0.1%
Interest Income	3,541	(60.3%)	13,750	(50.1%)
Foreign Exchange Gain (Loss)	(405,872)	N.A.	(409,366)	N.A.
Other Expenses, Net	(43,961)	(47.1%)	(72,510)	(22.4%)
Income Tax	(17,955)	73.9%	(75,076)	44.3%
Deferred Income Tax	34,475	N.A.	12,825	N.A.
Minority Income	20,877	66.3%	45,023	1.4%
Net Majority Income	(521,136)	N.A.	(604,175)	N.A.
Weighted Average Number of Shares Outstanding (Thousands)	162,664	0.0%	162,664	0.0%
EPS	(3.20)	N.A.	(3.71)	N.A.

BALANCE SHEET (Thousands of Pesos)	December 2008	**Dec 2008 Vs. Dic 2007**
Current Assets	3,144,011	22.4%
Cash Equivalents	220,988	(1.4%)
Fixed Assets	2,417,766	(5.3%)
Other non-current Assets	216,409	(9.2%)
TOTAL ASSETS	5,778,186	7.8%
Short-term Bank Debt	2,272,908	N.A.
Other short-term Liabilities	1,000,147	39.7%
Long-term Bank Debt	192,943	N.A.
Deferred Taxes	499,887	3.9%
Other long-term Liabilities	65,527	8.2%
TOTAL LIABILITIES	4,031,411	34.1%
Majority Shareholders' Equity	1,475,122	(28.1%)
Minority Interest	271,654	(9.8%)
TOTAL SHAREHOLDERS' EQUITY	1,746,776	(25.8%)