



Third 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 announces Third Quarter Results

Interceramic ended the third quarter of 2008 with consolidated sales of US \$134.2 million, virtually flat over sales of the immediately preceding quarter and reflective of the difficult market conditions globally. The building industry in the United States continued to suffer over the quarter, and while the quarter was generally strong in Mexico the worldwide economic upheaval in September had a clear adverse effect on Mexican markets at the end of the quarter. To counter the softening of the Mexican markets last month, we have begun an aggressive marketing campaign in the country, and directed promotional efforts as well, which we believe will help increase sales in the face of decreasing Mexican demand. With the uncertainty over the short term implications of the international financial crisis, we have focussed on a major cash savings strategy, becoming as efficient as we possibly can, monitoring developments in the markets on a continual basis and keeping a keen eye on our own sales information to ensure we react as quickly as possible to any trends and developments. Although the Company had no derivatives in place during the third quarter of 2008, early this month we entered into an interest rate swap to fix our 2009 LIBOR-denominated borrowings at a favourable rate, lower than the average for the first nine months of this year.

Consolidated sales of US \$134.2 million for the third quarter of 2008 exceeded consolidated sales for the same period last year of US \$129.4 million by 3.7 percent. Gross income increased consistent with sales, up to US \$46.6 million from US \$45.0 million in the third quarter of 2007, a 3.5 percent increase. The Company's operating income for the quarter was well below that of last year, decreasing 34.5 percent to US \$5.4 million compared to US \$8.3 million last year. Our EBITDA for the third quarter of 2008 dipped as well, but by a lesser 10.9 percent compared to last year, at US \$13.3 million from US \$15.0 million for the same quarter last year. The Company's debt service coverage ratio declined somewhat, ending at 4.5 times as opposed to 6.4 times at the end of the third quarter of 2007. Debt to EBITDA fell too, ending at 3.8 this quarter while at the end of the third quarter of 2007 it was at 3.1, as a result of which we are in non-compliance with a financial covenant in our syndicated loan agreement. Currently, we are working with the lenders in order to obtain the necessary waivers to cure this technical default. Because the Mexican

Peso has been devaluating against the Dollar in recent months, our debt to EBITDA ratio will be affected given that all of our debt is Dollar denominated, however the short term impact of the devaluating currency on our cash flow is unlikely to represent a material risk given that less than ten percent of our debt will mature within the next 12 months. Also, as a result of the Peso devaluation, net income was affected by a non-cash foreign exchange loss charge of US \$8.3 million during the quarter.

Sales in Mexico for the third quarter of 2008 aggregated US \$82.2 million, slightly up by 3.6 percent over Mexican sales in the third quarter of 2007 of US \$79.3 million. In the United States market the Company was able to achieve sales in the third quarter of 2008 of US \$52.0 million, increasing by 3.8 percent over sales of US \$50.0 million in the third quarter of 2007

Although 2008 is proving to be a difficult year, and we are faced with much uncertainty over how the global economic crisis is going to sort itself out in the coming periods, we at Interceramic are mindful of the challenges we face and are confident in our ability to see our way through what we are hopeful will prove to be a relatively short period of significant disruption in the markets. But the difficult times also present us with opportunities. Our European competition continues to be effectively priced out of the markets given the strong Euro, and much of our domestic and American competition is not as well positioned as Interceramic to ride out the storms. Along with our cost-cutting efforts, we will be looking closely for these opportunities as they arise. We thank our investors, customers, suppliers and 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)	Jul-Sep '08	Jul-Sep '08 Vs. Jul-Sep '07	Jan-Sep '08	Jan-Sep '08 Vs. Jan-Sep '07
Net Sales	134,189	3.7%	395,864	8.7%
Cost of goods sold	(87,602)	3.8%	(260,574)	10.1%
Gross Income	46,587	3.5%	135,291	6.2%
Operating Expenses	(41,179)	12.1%	(122,228)	13.2%
Operating Income	5,408	(34.5%)	13,062	(33.0%)
Integral Cost of Financing	(10,771)	394.7%	(7,862)	83.6%
Interest Expense	(2,739)	(17.0%)	(9,013)	10.6%
Interest Income	313	(64.6%)	973	(41.6%)
Foreign Exchange Gain (Loss)	(8,346)	398.3%	178	(136.7%)
Other Expenses, Net	(752)	N.A.	(2,714)	197.5%
Income Tax	(624)	(49.6%)	(5,391)	45.9%
Deferred Income Tax	(1,731)	205.1%	(2,100)	221.7%
Minority Income	983	(21.6%)	2,293	(19.3%)
Net Majority Income	(9,453)	(419.6%)	(7,298)	(202.6%)
Weighted Average Number of Shares Outstanding (Thousands)	162,664	0.0%	162,664	0.0%
EPS	(0.06)	(419.6%)	(0.04)	(202.6%)

BALANCE SHEET (Thousands of Nominal US Dollars)	September 2008	Sep 2008 Vs. Sep 2007
Current Assets	262,200	8.1%
Cash Equivalents	12,459	(73.5%)
Fixed Assets	222,922	(5.2%)
Other non-current Assets	20,686	2.5%
TOTAL ASSETS	505,808	1.6%
Short-term Bank Debt	17,094	N.A.
Other short-term Liabilities	78,977	40.4%
Long-term Bank Debt	160,897	(6.7%)
Deferred Taxes	45,913	9.8%
Other long-term Liabilities	4,606	(33.2%)
TOTAL LIABILITIES	307,488	10.7%
Majority Shareholders' Equity	174,551	(10.0%)
Minority Interest	23,769	(8.9%)
TOTAL SHAREHOLDERS' EQUITY	198,320	(9.9%)

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."

RELEVANT FINANCIAL INFORMATION

INCOME STATEMENT (Thousands of Pesos except per Share data)	Jul-Sep '08	Jul-Sep '08 Vs. Jul-Sep '07	Jan-Sep '08	Jan-Sep '08 Vs. Jan-Sep '07
Net Sales	1,392,019	(3.5%)	4,153,813	1.7%
Cost of goods sold	(908,738)	(3.4%)	(2,734,053)	3.0%
Gross Income	483,282	(3.7%)	1,419,759	(0.7%)
Operating Expenses	(427,637)	4.4%	(1,283,200)	6.0%
Operating Income	55,645	(39.6%)	136,559	(37.5%)
Integral Cost of Financing	(118,242)	378.3%	(88,134)	80.7%
Interest Expense	(28,477)	(22.6%)	(94,849)	3.9%
Interest Income	3,228	(67.3%)	10,209	(45.3%)
Foreign Exchange Gain (Loss)	(92,993)	387.4%	(3,494)	(44.1%)
Other Expenses, Net	(7,766)	N.A.	(28,548)	176.3%
Income Tax	(6,796)	(50.7%)	(57,121)	36.9%
Deferred Income Tax	(17,750)	183.5%	(21,650)	202.7%
Minority Income	10,277	(26.6%)	24,146	(24.2%)
Net Majority Income	(105,185)	(422.9%)	(83,039)	(205.5%)
Weighted Average Number of Shares Outstanding (Thousands)	162,664	0.0%	162,664	0.0%
EPS	(0.65)	(422.9%)	(0.51)	(205.5%)

BALANCE SHEET (Thousands of Pesos)	September 2008	Sep 2008 Vs. Sep 2007
Current Assets	2,868,466	7.0%
Cash Equivalents	136,298	(73.8%)
Fixed Assets	2,438,766	(6.2%)
Other non-current Assets	226,303	1.5%
TOTAL ASSETS	5,533,535	0.6%
Short-term Bank Debt	187,008	N.A.
Other short-term Liabilities	864,011	39.0%
Long-term Bank Debt	1,760,215	(7.7%)
Deferred Taxes	502,293	8.7%
Other long-term Liabilities	50,388	(33.9%)
TOTAL LIABILITIES	3,363,916	9.6%
Majority Shareholders' Equity	1,909,583	(10.9%)
Minority Interest	260,037	(9.8%)
TOTAL SHAREHOLDERS' EQUITY	2,169,620	(10.8%)