

THIRD QUARTER

2011



Interceramic®

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 releases Third Quarter 2011 Results

Steady domestic sales growth and material reductions in operating expenses were the main drivers behind Interceramic's solid performance in the third quarter of 2011. Consolidated sales for the quarter were US \$120.5 million, five percent higher than sales of US \$114.7 million recorded in the third quarter of 2010. As was true last quarter, the Company's greatest achievement for the quarter was in operating income, which increased by a whopping 77.8 percent from the third quarter of 2010, to US \$11.0 million from last year's US \$6.2 million. As a percentage of sales, operating expenses have decreased steadily during the course of 2011 from prior periods. In the third quarter of 2011, this percentage fell down to 26.2 percent from 30.4 percent in the same period of 2010, a drop of some 4.1 points over the periods. Operating margin for the third quarter 2011 rose to 9.2 percent from 5.4 percent in the third quarter of 2010, our highest operating margin for a very long time.

Third quarter EBITDA also rose dramatically from the third quarter of 2010. At a Company record-high US \$17.6 million, EBITDA for the third quarter of 2011 was 37.1 percent higher than the US \$12.8 million attained in the third quarter of 2010. Our key financial ratios improved accordingly, with the Company's debt service coverage ratio at the end of the third quarter of 2011 being 7.4 times as opposed to 4.2 times at the close of the third quarter 2010. Our ratio of debt to EBITDA ended the quarter at 2.6 times from 3.4 times at the end of the third quarter of 2010.

Looking first at Mexico, the largest of our two primary markets, Interceramic continues to achieve encouraging sales growth. As pretty much all of our Mexican sales are made in Pesos we find it more meaningful to assess our performance by reference to that currency, and accordingly for the third quarter of 2011 Mexican sales of Ps 1,028.1 million were 7.8 percent better than sales of Ps 953.7 million in the same quarter of last year. Expressed in United States Dollars, the sales growth between the periods was 9.9 percent, up to US \$82.1 million in the third quarter of 2011 from US \$74.7 million in the third quarter of 2010.

The Company's secondary market, primarily the United States, continues to contract as a result of our cost-cutting and consolidation efforts over the past several financial periods. In the third quarter of 2011, we recorded International sales of US \$38.4 million, down 4.0 percent over International sales of US \$40.0 million in the same period last year. On the bright side, same store sales for the third quarter of 2011 were about eight percent higher than they were in the third quarter of 2010. Although clearly we continue to struggle in the United States, our recent, massive retrenchment seems to be having the effect that we were aiming for. Whereas in the second quarter of this year our United States operations accounted for a US \$1.3 million hit to the Company's EBITDA, in this quarter the impact was significantly less severe, adversely impacting our EBITDA by only a negative US \$0.4 million. On a year to date basis, the EBITDA hit attributable to our United States operations was a loss of US\$5.5 million which was also favourable compared to a loss of US\$9.9 million in the same period of 2010.

With Mexican markets holding surprisingly well and the situation in the United States becoming increasingly manageable, we at Interceramic are pleased with our greatly improved operating results. We will be sticking to our current strategies for coming periods, making our products and services more attractive to consumers and achieving cost savings where we can. We continue leading the way in the Mexican market, launching new and very innovative products and concentrating on cementing our unrivalled position at the top end of the domestic market. We are on target for a much better year in 2011 than we have had since the global financial meltdown that commenced in 2008, and are guardedly optimistic that the corner is well and firmly turned. As always, we at Interceramic want to thank our investors, our customers and our employees for their continued support.

Oscar E. Almeida
Honorary Chairman

Víctor D. Almeida
Chairman of the Board & CEO

RELEVANT FINANCIAL INFORMATION

INCOME STATEMENT (Thousands of Nominal US Dollars, except per Share data)	Jul-Sep'11	Jul Sep'11 Vs. Jul-Sep'10	Jan- Sep'11	Jan- Sep'11 Vs. Jan-Sep '10
Net Sales	120,486	5.0%	349,466	5.7%
Cost of goods sold	(77,311)	5.4%	(226,127)	6.4%
Gross Income	43,176	4.4%	123,339	4.4%
Operating Expenses	(31,590)	(9.3%)	(97,064)	(6.0%)
Other Expenses, Net	(544)	72.5%	(1,207)	13.2%
Operating Income	11,042	77.8%	25,069	80.7%
Integral Cost of Financing	(16,869)	N.A.	(13,139)	N.A.
Interest Expense	(1,708)	(22.9%)	(5,302)	(23.7%)
Interest Income	405	27.3%	975	1.3%
Foreign Exchange Gain (Loss)	(15,565)	N.A.	(8,812)	N.A.
Income Tax	(3,726)	27.7%	(11,605)	44.9%
Deferred Income Tax	132	N.A.	170	N.A.
Net Majority Income	(11,017)	N.A.	(3,467)	N.A.
Minority Income	1,295	6.9%	2,962	(0.1%)
Weighted Average Number of Shares Outstanding (Thousands)	162,664	0.0%	162,664	0.0%
EPS	(0.07)	N.A.	(0.02)	N.A.

BALANCE SHEET (Thousands of Nominal US Dollars)	September 2011	Sep'11 Vs. Sep'10
Current Assets	189,241	(7.3%)
Cash Equivalents	17,298	(37.1%)
Fixed Assets	168,850	(14.8%)
Other non-current Assets	12,964	(14.0%)
TOTAL ASSETS	371,055	(11.1%)
Short-term Bank Debt	30,411	71.3%
Other short-term Liabilities	44,113	(2.9%)
Long-term Bank Debt	97,375	(26.6%)
Deferred Taxes	29,160	(12.5%)
Other long-term Liabilities	8,140	18.2%
TOTAL LIABILITIES	209,199	(11.4%)
Majority Shareholders' Equity	142,705	(9.5%)
Minority Interest	19,152	(18.9%)
TOTAL SHAREHOLDERS' EQUITY	161,856	(10.8%)

Note: "Unless otherwise indicated, all financial information are in accordance with International Financial Reporting Standards as determined by the International Accounting Standard Board ("IASB") 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'11	Jul Sep'11 Vs. Jul-Sep'10	Jan- Sep'11	Jan- Sep'11 Vs. Jan-Sep '10
Net Sales	1,508,572	3.0%	4,219,970	0.4%
Cost of goods sold	(968,219)	3.4%	(2,730,683)	1.1%
Gross Income	540,353	2.4%	1,489,287	(0.8%)
Operating Expenses	(396,162)	(10.9%)	(1,171,715)	(10.7%)
Other Expenses, Net	(6,900)	71.1%	(14,780)	8.5%
Operating Income	137,291	73.4%	302,792	72.3%
Integral Cost of Financing	(219,107)	N.A.	(174,983)	N.A.
Interest Expense	(21,477)	(24.2%)	(64,040)	(27.6%)
Interest Income	5,200	28.0%	11,973	(2.2%)
Foreign Exchange Gain (Loss)	(202,830)	N.A.	(122,917)	N.A.
Income Tax	(46,650)	25.2%	(139,943)	37.4%
Deferred Income Tax	1,650	N.A.	2,094	N.A.
Net Majority Income	(146,923)	N.A.	(58,090)	N.A.
Minority Income	16,331	5.3%	36,067	(4.5%)
Weighted Average Number of Shares Outstanding (Thousands)	162,664	0.0%	162,664	0.0%
EPS	(0.90)	N.A.	(0.36)	N.A.

BALANCE SHEET (Thousands of Pesos)	September 2011	Sep'11 Vs. Sep'10
Current Assets	2,547,188	(0.1%)
Cash Equivalents	232,825	(32.1%)
Fixed Assets	2,272,723	(8.1%)
Other non-current Assets	174,491	(7.3%)
TOTAL ASSETS	4,994,402	(4.1%)
Short-term Bank Debt	409,329	84.7%
Other short-term Liabilities	593,757	4.7%
Long-term Bank Debt	1,310,668	(20.8%)
Deferred Taxes	392,496	(5.7%)
Other long-term Liabilities	109,564	27.5%
TOTAL LIABILITIES	2,815,814	(4.4%)
Majority Shareholders' Equity	1,920,805	(2.4%)
Minority Interest	257,783	(12.5%)
TOTAL SHAREHOLDERS' EQUITY	2,178,588	(3.7%)