

2013

THIRD QUARTER



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 THIRD QUARTER
2013 RESULTS**

Much like the same period in 2012, the third quarter of 2013 showed primarily modest gains over the same quarter in the previous year. Consolidated sales for the third quarter of 2013 were Ps 1,718.5 million, an increase of 5.3 percent over consolidated sales for the same quarter last year of Ps 1,631.6 million. Gross income for the quarter was Ps 588.7 million, and compared to gross income of Ps 580.4 million in the third quarter of 2012, reflects a slight 1.4 percent increase over the two periods. Despite a general slowdown in Mexican markets, the Company incurred substantial investment during the quarter in remodeling of existing stores and the opening of new locations in Mexico in order to take advantage of our inroads in gaining market share and maintain domestic sales growth regardless of the decrease in overall demand. As a result, operating income did not benefit from the increase in sales and at Ps 126.6 million for the third quarter of 2013 dipped some 18.0 percent below operating income of Ps 154.4 million in the third quarter of 2012. The decrease in operating income means that the Company's operating margin for the third quarter of 2013 was 7.4 percent, while in the third quarter of last year it was 9.5 percent.

The EBITDA for the third quarter of 2013, which at Ps 197.7 million fell 12.2 percent from third quarter 2012 EBITDA of Ps 225.1 million. Nonetheless, with steadily decreasing debt and associated costs, Interceramic's key financial ratios remain healthy, with the debt service coverage ratio at the end of the third quarter 2013 being 10.0 times, while at the end of the third quarter last year, the ratio stood at 8.4 times. Our ratio of debt to EBITDA at the end of the third quarter this year stood at 1.9, down slightly from the 2.0 at the end of the third quarter of 2012. Looking at the split of EBITDA between Mexican and International operations, Mexican EBITDA for the third quarter of 2013 was Ps 189.4 million, while International EBITDA for the same period in 2013 was Ps 8.3 million. In the third quarter of 2013, we realized an exchange rate loss of Ps 16.1 million, while in the third quarter last year, the exchange rate gain was of Ps 65.7 million. Net majority income for the period this year was Ps 30.2 million, and in the third quarter of last year Ps 156.1 million.

Looking at our two major markets separately, in Mexico third quarter 2013 sales of Ps 1,146.2 million were 4.0 percent higher than the Ps 1,102.0 million in domestic sales achieved in the same period last year. The International markets fared particularly well in the third quarter of 2013, with sales of US \$43.8 million increasing by some 9.0 percent over third quarter 2012 International sales of US \$40.2 million.

Taking a quick look at the year-to-date, 2013 consolidated sales of Ps 4,977.1 million reveal a 4.9 percent increase over consolidated sales of Ps 4,745.1 for the first three quarters of 2012. At Ps 344.6 million, operating income for the first three quarters of this year stands 15.9 behind operating income of Ps 409.8 million over the same period last year. Our group EBITDA so far in 2013 has suffered slightly less, decreasing by 10.0 percent over the same period in 2012, down to Ps 563.8 million from Ps 626.1 million. A huge difference in exchange rates between this year and last resulted in a year-to-date 2013 exchange loss of Ps 34.0 million, a sharp decrease in the gain of Ps 127.9 million recorded through the end of September in 2012. That disparity led to net majority income for the first three quarters of 2013 being Ps 55.7 million compared to the Ps 327.4 over the same months in 2012.

Sales in Mexico in the first three quarters of 2013 were Ps 3,364.1 million, up 6.6 percent over the Ps 3,154.5 million chalked up over the same period in 2013. In Dollars, International sales of US \$126.1 million were 4.8 percent higher than the US \$120.3 million posted for the first three quarters of 2012.

Interceramic continues steady sales growth from quarter to quarter, and we are pleased that despite the broad slowdown consumption in the Mexican market we have continued to increase our market share over competitors, and believe that our investment in the Company's distribution network will pay off considerably over coming periods. As always, we thank our customers, suppliers, employees and investors for their loyalty and support.

Víctor D. Almeida
Chairman of the Board & CEO

RELEVANT FINANCIAL INFORMATION

INCOME STATEMENT (Thousands of Pesos except per Share data)	Jul-Sep '13	Jul-Sep '13 Vs. Jul-Sep '12	Jan- Sep'13	Jan- Sep'13 Vs. Jan- Sep'12
Net Sales	1,718,534	5.3%	4,977,096	4.9%
Cost of goods sold	(1,129,836)	7.5%	(3,280,811)	6.4%
Gross Income	588,697	1.4%	1,696,285	2.1%
Operating Expenses	(464,056)	9.3%	(1,350,742)	8.5%
Other Expenses, Net	1,987	N.A.	(922)	(87.5%)
Operating Income	126,628	(18.0%)	344,621	(15.9%)
Interest Expense	(18,450)	(20.0%)	(57,089)	(19.0%)
Interest Income	2,426	(3.8%)	7,393	(12.1%)
Foreign Exchange Gain (Loss)	(16,060)	(124.5%)	(33,968)	(126.6%)
Equity in Associated	467	(114.0%)	(3,705)	(68.0%)
Income Tax	(59,218)	62.8%	(179,561)	64.8%
Deferred Income Tax	750	(91.8%)	2,250	(79.3%)
Net Majority Income	30,196	(80.7%)	55,723	(83.0%)
Minority Income	6,347	(51.1%)	24,218	(37.1%)
Weighted Average Number of Shares Outstanding (Thousands)	162,664	0.0%	162,664	0.0%
EPS	0.19	(80.7%)	0.34	(83.0%)

BALANCE SHEET (Thousands of Pesos)	September 2013	Sep '13 Vs. Sep'12
Current Assets	2,671,569	(8.0%)
Cash Equivalents	206,450	(24.1%)
Fixed Assets	2,374,960	2.6%
Other non-current Assets	141,109	28.7%
TOTAL ASSETS	5,187,638	(2.7%)
Short-term Bank Debt	241,563	41.8%
Other short-term Liabilities	763,487	8.2%
Long-term Bank Debt	1,242,699	(14.4%)
Deferred Taxes	351,849	7.2%
Other long-term Liabilities	143,480	19.0%
TOTAL LIABILITIES	2,743,078	(1.2%)
Majority Shareholders' Equity	2,207,901	(3.2%)
Minority Interest	236,659	(12.9%)
TOTAL SHAREHOLDERS' EQUITY	2,444,560	(4.3%)