Mexichem Reports 2016 First Quarter Results

Tlalnepantla de Baz, State of Mexico, April 27, 2016 - Mexichem, S.A.B. de C.V. (BMV: MEXCHEM*) ("the Company" or "Mexichem") today announced its unaudited results for the first quarter of 2016. The figures have been prepared in accordance with International Financial Reporting Standards ("NIIF" or "IFRS") having US dollars as the functional and reporting currency. All comparisons are made against the same period of the prior year, unless specified otherwise. In some cases percentages & numbers are rounded.

In the fourth quarter of 2015 the Company completed a restructuring process in the Fluor Business Group. The restructuring process was prompted by two factors: i) a structural adjustment to adapt the business to current market conditions, and ii) a decision to no longer operate in certain markets where conditions are not suitable to sustain profitability. As a result of the restructuring, a total of $49.9 million was reported as "discontinued operation" in full year 2015 results, in accordance with the rules contained in IFRS 5 *"Non-Current Assets Held for Sale and Discontinued Operations"*. Our 1Q15 results are reported on a historical basis, and exclude certain adjustments. Therefore, we have provided the adjusted figures for 1Q15 in the Annex "1" section of this report.

On April 20, 2016, Mexichem announced that a major explosion had taken place that afternoon at its joint venture PMV on the VCM plant in the Clorados III area, inside the Petrochemical Pajaritos Complex, resulting in 32 fatalities. In the following days, the Company had reached out to provide support and assistance to all those affected, stabilized the facility, and expressed its full commitment to determine the cause of this accident.

First Quarter 2016 Financial and Operating Highlights

--Reported EBITDA increased 1% to $200 million despite a 12% decline in reported revenue; on a constant currency basis EBITDA would have increased 16% on a 4% revenue decline
--Consolidated EBITDA margin expanded 214 bps to 15.9%, reflecting significantly higher margins in both the Vinyl and Fluent Business Groups and stable margins in Fluor. Specifically:
- **-- Vinyl-Resins, Compounds and Derivatives EBITDA margin increased 116 bps to 14.1%.**
- **-- Fluent- EBITDA margins increased 239 bps to 12%: Europe 420 bps to 8%, LatAm 175 bps to 18%, and U.S. 241 bps to 12%.**
- **--Fluor- EBITDA margin was stable at 35%**

--Net majority income increased 167% to $51 million, representing ROE of 4.6% and ROIC of 6.2%

CONSOLIDATED SELECTED FINANCIAL RESULTS

	First Quarter		
Consolidated (mm US$)	2016	2015	%Var.
Net Sales	1,262	1,442	-12%
Operating Income	109	90	21%
Net Maj. Income	51	19	167%
EBITDA	200	198	1%
Operating cash flow before Capex	43	-34	N/A
Total CAPEX (organic & JV)	-110	-111	-1%
Free Cash Flow	-81	-162	-50%

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In September 2015, Mexichem changed the designations and names of certain of its operating segments to more accurately reflect how it organizes its operations and product offerings. As such, its segments have been re-named "Business Groups", from the previous "Chains" and the names of two of its Business Groups have been changed. **"Vinyl"** replaces "Chlor-Vinyl" and **"Fluent"** replaces "Integral Solutions". The **Fluor** Business Group's name remains unchanged.

MANAGEMENT COMMENTARY

Performance and Outlook

"Before we begin discussing our first quarter 2016 results and our outlook for the year, I would like to first extend Mexichem's deepest condolences and sympathies to all of the people affected by the recent accident at the joint venture PMV plant in Coatzacoalcos. Our thoughts and prayers are with the victims, their families and the community. We also want to express our deep gratitude and admiration to the first responders who took care of the injured and executed the evacuation plan, to the local, state and federal governmental authorities who protected and secured the infrastructure and the population and to the neighboring companies and community members who rushed to the site to assist us. Mexichem is humbled by this outpouring of support and the individual acts of bravery and kindness that we witnessed first-hand. We continue to support the victims of this tragedy and are working closely in tandem with our partners PEMEX, the authorities and a team of international experts to determine the cause of the accident.

With respect to our financial performance, our first quarter profitability was in line with our expectations.

Despite difficult industry conditions, we reported EBITDA growth on both reported and constant currency basis, thanks to our diversified business model and the natural hedges it provides, as well as the increasing focus on returns through economies of scale and other efficiencies. Importantly, we expanded consolidated EBITDA margin, achieving sustainable progress that we believe will benefit future periods.

As expected, our Vinyl Business Group's revenue results reflected lower prevailing prices, which declined more than 10% on average compared to the similar period last year. Conversely, the Group's EBITDA margin expanded by over 300 basis points on a double-digit increase in EBITDA. This was due to strong performance from Vestolit, which is more competitive in a low oil price environment.

In Fluor, we succeeded in maintaining stable EBITDA margins of 35% in the face of declines in pricing and volumes in both upstream and downstream product categories. Programs to diversify our metallurgical fluorspar customer base are proceeding well, and for the full year we expect the Group's EBITDA to surpass 2015 levels.

Our Fluent Business Group continued to distinguish itself in the first quarter. Reported revenues were reduced primarily by the devaluation of Latin American currencies against the U.S. dollar and difficult economic conditions in Brazil, and to a lesser extent by lower energy customer demand for pipe products. The strength of our European operations, however, enabled us to expand the Group's EBITDA margin by close to 240 basis points and grow reported EBITDA by 5%, realized through operating and product line efficiencies that were implemented over the past 18 months and improved product mix.

Our strong operating performance in the first quarter was enhanced by the further strengthening of our financial position. Following two years of significant progress in reducing our working capital requirements, we were able again to improve our working capital position and achieve a $77 million positive swing in operating cash flow before capex. Mexichem ended the first quarter with a net debt to EBITDA of 1.95x, significantly better from the 2.3x we reported for the similar 2015 period.

First quarter 2016 net majority income reached $51 million, over 2.5 times greater than the $19 million earned in last year's first quarter, which included $9 million in restructuring costs and non-recurring expenses.

Increasing companywide returns is a key objective for Mexichem and our first quarter results were a positive step in that direction.

The step-change will take place in 2017, when our ethylene cracker joint venture with OxyChem is in full production and accretive to our results. We are pleased to report that we have completed almost 80% of our capital investment in this transformational project, and it is scheduled to begin operations by the end of this year.

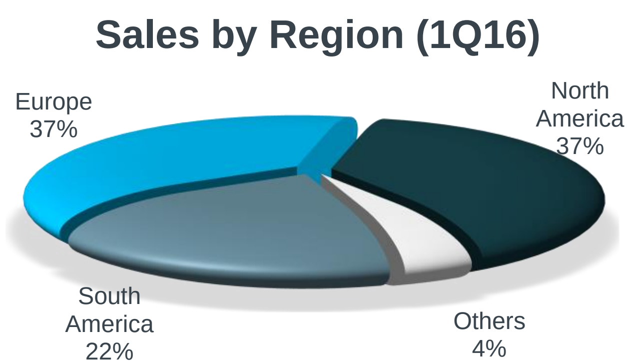
In summary, the accident at our PMV joint venture has been personally and professionally challenging for all of us at Mexichem, and we are exceedingly proud of the response and resolve we have seen throughout our Company. We are also very appreciative of the shows of support we have received from our customers, suppliers and partners and the fact that both Standard & Poor's and Fitch reaffirmed our bond rating, post-accident. This is a strong and vibrant organization with diversified operations in over 30 countries. More than 18,000 employees are producing products used in a broad range of end markets, which gives us all confidence in Mexichem's continued success.

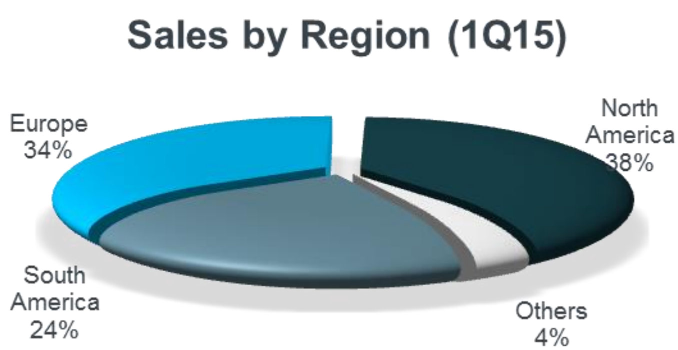
REVENUES

First quarter 2016 revenues totaled $1.26 billion, representing a 12% decrease, or $180 million decline year on year. This was the result of: i) the appreciation of the U.S. dollar globally, which reduced Mexichem´s revenues by $123 million ($116.6 million in Fluent, $4.9 in Vinyl and $1.3 in Fluor) and ii) a decline in PVC resin prices, and weaker demand in both metallurgic and acid grade fluorspar, and in some LatAm countries. In particular, the Company's Fluent LatAm operations, where currency impact is the highest ($100 million), reported a $79 million revenue decline. Partially offsetting this effect was strong performance from Vinyl and Fluent in the European region, where demand has remained consistent.

On a constant currency basis, total sales would have decreased 4% year-on-year.

SALES BY REGION





The United States represented 16% of sales in 1Q16, Brazil represented 5% of sales (4% of EBITDA) and the UK and Germany represented 9%, and 13%, respectively.

EBITDA

EBITDA for 1Q16 was $200 million, up 1% compared to 1Q15, and EBITDA margin expanded by 214 bps to 15.9% from 13.7%. Improved EBITDA margin performance in the first quarter resulted from several factors including:

(i) An expansion of 320 bps in Vinyl Business Group's EBITDA to 15.8%, as a result of lower raw materials costs for compounds, lower VCM prices for the production of PVC resins, and positive performance of Vestolit.

(ii) The Fluent Business Group's EBITDA margin expanded 239 bps to 12.3%, on an increase of $4 million in reported EBITDA. EBITDA margins in each of our operating regions expanded as follows:

a. Fluent LatAm increased 175 bps to 18%, despite a significant reduction in sales resulting from negative FX effects. This margin growth was mainly the result of an improved regional operating mix and lower PVC prices.
b. Fluent Europe EBITDA margin reached 8%, an increase of 420 bps from 3.4% in 1Q15, mainly the result of the restructuring process that occurred in 2015.
c. Fluent US/AMEA grew 241 bps to 12%, resulting from a better sales mix with higher margin products and lower raw material costs.

Factors that negatively impacted our EBITDA included:

(iii) The global strength of the U.S. dollar resulted in a $29 million foreign exchange translation impact, specifically from our LatAm operations where the impact was $27 million.

On a constant currency basis, our EBITDA would have increased 16% to $229 million.

OPERATING INCOME

Operating income for the first quarter was $109 million, 21% higher than in 1Q15, and operating margin expanded 240 bps to 8.7%. This was due to the factors mentioned above, but also the impact of the appreciation of the US dollar globally, which reduced Mexichem´s depreciation and amortization expenses, mostly in Fluent LatAm and Europe where the functional currency is not the US dollar.

FINANCIAL COSTS

In 1Q16, financial costs decreased $24.5 million to $43 million from $68 million. This was mainly due to a $20 million decline in the exchange rate loss related to intercompany euro-denominated loans between the Holding company which uses the dollar as its functional currency, and Fluent Europe and Vestolit where the functional currency is the Euro. In 1Q15 the Euro depreciated 11% against the dollar, resulting in an exchange rate loss for the Holding company.

The Vestolit loan was cancelled between 2Q15 and 4Q15, and in 4Q15 the loan with Fluent Europe was hedged and had a neutral currency impact in 1Q16.

INCOME TAXES

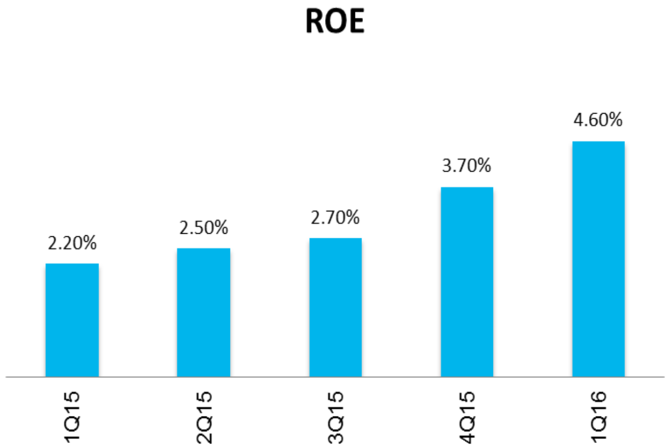
The effective tax rate was 26% in 1Q16 as compared to 37% in 1Q15.

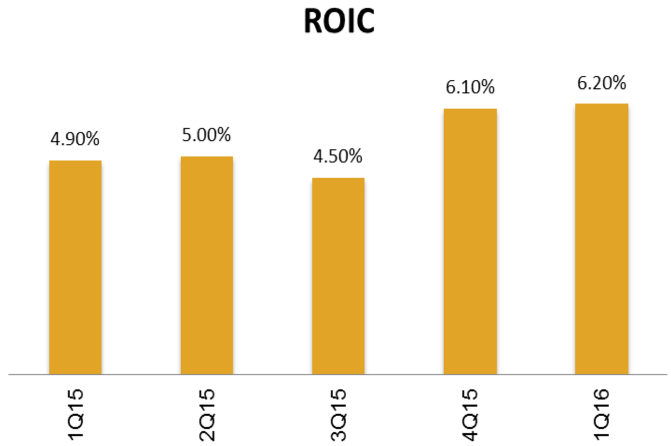
The cash tax rate for the quarter was 60%, versus 170% in 1Q15, mainly explained by fewer subsidiaries generating loss positions in 1Q16 than in 1Q15. This is a consequence of the lower exchange rate impact in 1Q16 than in 1Q15, as the US dollar appreciated less in the current year, than the same period a year ago.

Deferred taxes shifted the cash tax rate from 60% in 1Q16 to 26%, compared with 1Q15 when it shifted from 170% to 37%. This difference in the cash tax rate for 1Q16 is due to lower appreciation of the dollar against global currencies this period, than in 1Q15.

NET MAJORITY INCOME

In 1Q16, the Company reported net majority income of $51 million compared to $19 million in 1Q15, an increase of 167%, a result of better operating results and lower financial costs.





ROE: Net income over equity average/ ROIC: NOPAT/ Equity + Liabilities with cost – cash
Net income and NOPAT (EBIT-taxes) consider trailing twelve months.

OPERATING CASH FLOW HIGHLIGHTS

	First Quarter		
	2016	2015	%Var.
EBITDA	200	198	1%
Cash Tax	-40	-37	9%
Net Interest	-39	-42	-7%
Bank Commissions	-2	-4	-43%
Monetary position and Exchange loss	-4	-1	351%
Change in Trade Working Capital	-72	-148	-52%
Operating cash flow before Capex	43	-34	N/A
CAPEX (organic)	-50	-50	-1%
CAPEX (Total JV)	-104	-108	-4%
CAPEX JV (OXY SHARE)	44	47	-6%
NET CAPEX JV	-60	-61	-2%
Total CAPEX (organic & JV)	-110	-111	-1%
Cash Flow	-66	-145	-54%
Dividends	-14	-17	-17%
Free Cash Flow	-81	-162	-50%

* Excludes the unrealized effect in exchange rate gain and loss that comes from long-term liabilities in foreign currency

Operating cash flow before capital expenditures increased from negative $34 million to positive $43 million in 1Q16. Change in trade Working Capital improved from negative $148 million in 1Q15 to negative $72 million in 1Q16, a result of better capital management during the period and an EBITDA improvement in Fluent Europe. Capital expenditures in 1Q16 totaled $110 million, $44 million of which was invested in the ethylene cracker, $16 million in PMV, and $50 million allocated to organic projects.

As of March 31st, 2016, Mexichem's equity investment in the ethylene cracker has reached $569 million. This amount represents 79% of the total equity investment that Mexichem signed for the JV with OxyChem out of the total 50% Mexichem's stake.

NET WORKING CAPITAL

	2016 Variation			2015 Variation		
	mar-16	dec-15	Δ ($)	mar-15	dec-14	Δ ($)
Net Working Capital	318	246	-72	713	565	-148

FINANCIAL DEBT

	Last Twelve Months	
	Mar 2016	Dec 2015
Net Debt USD	1,773	1,703
Net Debt/EBITDA 12 M Proforma	1.95x	1.88x
Interest Coverage	4.4x	4.3x
Outstanding Shares	2,100,000,000	2,100,000,000

Net debt USD* includes $17.9 million of letters of credit with maturities of more than 180 days that for covenant purposes are considered gross debt, although it is not booked in the accounting debt.

Total financial debt as of March 31st, 2016 was $2.3 billion, with $17.9 million in letters of credit with maturities of more than 180 days, and cash and cash equivalents of $586 million, resulting in net financial debt of $1.77 billion.

The Net Debt / EBITDA ratio was 1.95x at March 31st, 2016, while the Interest Coverage was 4.4x.

CONSOLIDATED BALANCE SHEET

	USD in thousands	
Balance Sheet	**Mar 2016**	**Dec 2015**
Total assets	**8,840,463**	**8,669,676**
Cash and temporary investments	586,462	653,274
Receivables	896,554	798,779
Inventories	660,804	647,984
Others current assets	150,362	151,816
Long term assets	6,546,281	6,417,823
Total liabilities	**5,040,949**	**4,990,895**
Current portion of long-term debt	61,405	43,653
Suppliers	1,239,836	1,201,021
Other current liabilities	528,690	573,887
Long-term debt	2,280,001	2,291,422
Other long-term liabilities	931,017	880,912
Consolidated shareholders'equity	**3,799,514**	**3,678,781**
Minority shareholders'equity	816,343	776,419
Majority shareholders'equity	**2,983,171**	**2,902,362**
Total liabilities & shareholders' equity	**8,840,463**	**8,669,676**

CONSOLIDATED INCOME STATEMENT

USD in thousands	First Quarter		
INCOME STATEMENT	**2016**	**2015**	**%**
Net sales	1,262,383	1,442,178	-12%
Cost of sales	903,023	1,075,614	-16%
Gross profit	**359,360**	**366,564**	**-2%**
Operating expenses	250,088	276,405	-10%
Operating income	**109,272**	**90,159**	**21%**
Financial cost	43,411	67,925	-36%
Equity in income of associated entity	(927)	727	N/A
Income from continuing operations before income tax	**66,788**	**21,507**	**211%**
Cash tax	39,951	36,587	9%
Deferred taxes	(22,563)	(28,644)	-21%
Income tax	17,388	7,943	119%
Income from continuing operations	**49,400**	**13,564**	**264%**
Discontinued operations	583	568	3%
Consolidated net income	**49,983**	**14,132**	**254%**
Minority stockholders	(610)	(4,837)	-87%
Net income	**50,593**	**18,969**	**167%**
EBITDA	**200,418**	**198,081**	**1%**

OPERATING RESULTS BY BUSINESS GROUP

VINYL Business Group (38% and 39% of Mexichem's sales before eliminations and EBITDA, respectively, in 1Q16)

	First Quarter		
Vinyl	**2016**	**2015**	**%Var.**
Volume (K Tons)	636	610	4%
Total Sales*	499	540	-8%
Operating Income**	41	27	55%
EBITDA**	79	68	16%

*Intercompany sales were $40 million and $52 million in 1Q16 and 1Q15, respectively. **Includes Ingleside expenses of $2 million (1Q16).

	First Quarter		
Resins, Compounds & Derivatives	**2016**	**2015**	**%Var.**
Total Sales*	486	531	-8%
Operating Income**	39	39	2%
EBITDA**	68	69	0%

*Intercompany sales were $49 million and $66 million in 1Q16 and 1Q15, respectively. Of these amounts $9 million and $14 million were invoiced to PMV in 1Q16 and 1Q15. **Includes Ingleside expenses of $2 million (1Q16).

	First Quarter		
PMV	**2016**	**2015**	**%Var.**
Total Sales*	44	48	-7%
Operating Income	2	-12	N/A
EBITDA	11	0	N/A

*Intercompany sales invoiced to Resins, Compounds and Derivatives were $23 million and $24 million in 1Q16 and 1Q15, respectively.

In 1Q16, the Vinyl Business Group reported 4% growth in volumes, and double digit growth in both EBITDA and operating income.

Revenues decreased by 8% to $499 million in 1Q16, down from $540 million in 1Q15. This was the result of lower selling prices for PVC resins, compounds and caustic soda.

EBITDA for the Vinyl Business Group increased 16%, to $79 million, and EBITDA margin expanded by 320 bps to 15.8% from 12.6%, mainly a result of better performance by Vestolit.

Operating Income improved 55%, or $14 million to $41 million as a result of the EBITDA improvement mentioned above.

In 1Q16, Resins, Compounds and Derivatives' revenues decreased 8%, driven by the lower PVC resin compounds and derivatives prices; however volumes increased 5% YoY mainly explained from higher demand on the resin business, which includes positive Vestolit performance.

1Q16 EBITDA for Resins, Compounds and Derivatives was $68 million, reflecting a resilient operating performance, and a decline in VCM prices linked to a decline in ethylene prices in North America (49% YoY). Altogether, this more than offset the impact of lower PVC selling prices, which expanded EBITDA margin by 116 bps to 14.1% from 12.9%. Although ethylene prices are improving since the beginning of the year, PVC resin prices are not moving at the same pace.

In Resins, Compounds and Derivatives, 1Q16 operating income was $39 million, flat from the same period last year..

In 1Q16, PMV sales decreased by 7% mainly as a result of lower weighted average prices of caustic soda and VCM. EBITDA in PMV totaled $11 million in 1Q16.

On April 20, 2016, Mexichem announced that an explosion had taken place that afternoon at the JV VCM-plant in the Clorados III area, inside the Petrochemical Pajaritos Complex. In the days that followed, we provided updates on the status of the accident, which mainly included the following:

- By April 21, the plant was under control and Mexichem was informed that there was "no risk for the inhabitants" of the area.
- Our priority was to maintain ongoing and clear communications with the families of the victims and provide them with all possible support. At the same time, Company representatives were actively involved in assisting those who were injured to ensure that they receive the best care possible.
- The Company is fully committed to work together with its partner, PEMEX, to find to determine the cause of the accident in coordination with the authorities.

On April 22, PMV declared a force majeure condition affecting the supply of Vinyl Chloride Monomer (VCM), muriatic acid, ethlyene, 1,2, dichloroethane, Anhydrous Hydrogen Chloride. Concurrently, Mexichem announced that Mexichem Resinas Vinilicas and Mexichem Resinas Colombia will submit a PVC allocation plan based on their supplies of VCM stock for the month of May and subsequent months in 2016 .

For full year 2015, PMV accounted for 2% of the Company's sales and 5% of the Company's EBITDA. PMV supplied 177 thousand tons of VCM to our PVC business out of our total requirements of approximately 1.815 million tons, representing 10% of our annual VCM total supply. For 2015 our Vinyl Business Group represented $2 billion in sales and EBITDA of $313 million, or 36% and 35% respectively, of our consolidated sales and EBITDA, before eliminations.

Mexichem maintains insurance for its plants, including its majority-owned joint ventures, against property damage and general liability caused by accidents or other similar events and consequential damages, including business interruption. Mexichem regularly conducts thorough risk analyses and updates asset values to determine adequate coverage. Due to the extent of the damage and the ongoing investigation, the amounts recoverable under our insurance policies and the collection of such amounts, if any, will most likely take several months.

FLUENT Business Group (51% and 41% of Mexichem's sales before eliminations and EBITDA, respectively, in 1Q16)

Fluent	First Quarter 2016	2015	%Var.
Sales	667	788	-15%
Fluent LatAm	243	322	-25%
Fluent Europe	291	309	-6%
Fluent US/AMEA	134	160	-16%
Intercompany Eliminations	(1)	(2)	-26%
Operating Income	47	36	28%
EBITDA	82	78	5%

1Q15 Revenues	In million dollars	1Q16 Revenues	FX	Sub16 Total	Sub16/1Q15 % Var Comp
322	Fluent LatAm	243	100	342	6%
309	Fluent Europe	291	13	304	-2%
160	Fluent US/AMEA	134	4	138	-13%
-2	Intercompany Eliminations	-1	0	- 1	-26%
788	**Total**	**667**	**117**	783	-1%

1Q15 EBITDA	1Q15 EBITDA*	In million dollars	1Q16 EBITDA	FX	Sub16 Total	Sub16/1Q15 % Var Comp	Sub16/1Q15 * % Var Comp
52	52	Fluent LatAm	44	27	70	35%	35%
11	20	Fluent Europe	22	1	23	118%	18%
15	15	Fluent US/AMEA	16	1	17	9%	9%
78	**87**	**Total**	**82**	**28**	**110**	41%	26%

*EBITDA includes $9 million of restructuring costs and non-recurring expenses

In 1Q16, the Fluent Business Group's performance was mainly affected by a $117 million and a $28 million reduction in sales and EBITDA, which were tied to the appreciation of the US dollar. It is expected that this challenging base of comparison will continue in 2Q16, as the highest US dollar appraisal occurred during 3Q15.

- First quarter sales for the Fluent Business Group declined 15% to $667 million due a 25% and 16% decrease in reported sales in Fluent LatAm and Fluent US/AMEA, respectively. The decline in reported sales in Fluent LatAm is tied to the global strength of the U.S. dollar and weaker economic conditions in Brazil. Lower sales in US/AMEA resulted from a $19 million decrease in pressure pipe sales, which accounted for 30% of total 1Q16 sales compared to 44% in last year's first quarter, due to the presence of fewer oil rigs operating throughout the world.

First quarter 2016 EBITDA increased 5% year-on-year, in spite of lower sales. This was mainly due to the positive operating performance in our Europe and US/AMEA regions, the restructuring benefit from 2015, a better sales mix with higher margin products in Datacom, and lower raw materials costs which yielded higher spreads.

EBITDA margin grew by 239 bps to 12.3%. We would like to highlight that Fluent Europe EBITDA margin improved to 8% from 3.4% in 1Q15.

On a constant currency basis, EBITDA increased 41% in 1Q16, implying an EBITDA margin expansion of 414 bps to 14.1% compared to 9.9% in 1Q15.

Operating income for the quarter increased 28% mainly due to the EBITDA increase noted above and by the exchange rate impact on depreciation and amortization mainly in Fluent Europe and LatAm specifically in those countries where the functional currency is not the USD.

FLUOR BUSINESS GROUP (11% and 24% of Mexichem's sales before eliminations and EBITDA, respectively, in 1Q16)

	First Quarter		
Fluor	**2016**	**2015**	**%Var.**
Sales	139	164	-15%
Operating Income	33	40	-16%
EBITDA	49	57	-15%

In 1Q16 we experienced a 3% decline in both volumes and pricing, mainly from downstream business. Prices on R134a refrigerant gases were affected in the US as Chinese imports continue.

First quarter 2016 revenues in the Fluor Business Group decreased 15%, to $139 million from $164 million in 1Q15.

EBITDA decreased 15% year-on-year. Despite pricing pressure, the Fluor Business Group's EBITDA margin reached 35.2%, up slightly when compared with 1Q15.

Operating income for 1Q16 was $33 million; a decline of 16% in line with this quarters decline in sales.

RECENT EVENTS

For all the news please visit the following webpage http://www.mexichem.com/news/

Conference Call Details:

Mexichem will host a conference call to discuss its 1Q16 results on April 28, 2016 at 10:00 am Mexico City / 11:00 NY. To access the call, please dial 001-855-817-7630 (Mexico), or 1-888-349-0106 (United States) or 1-412-902-0131 (International). All callers should dial in a minimum of 15 minutes prior to the start time and ask for the Mexichem conference call.

The call will also be available through an audio only live webcast until July 28th, 2016. A replay of the call will be available approximately two hours after the end of the call. The replay can be accessed via Mexichem's website at www.mexichem.com.

RECONCILIATION SUMMARY BY BUSINESS GROUP

First Quarter 2016 Financial and Operating Highlights

	Revenues			EBITDA			EBITDA Margin		
In million dollars	**1Q16**	**1Q15**	**%Var.**	**1Q16**	**1Q15**	**%Var.**	**1Q16**	**1Q15**	**Var.**
Vinyl	499	540	-8%	79	68	16%	15.8%	12.6%	320
Fluent	667	788	-15%	82	78	5%	12.3%	9.9%	239
Fluor	139	164	-15%	49	57	-15%	34.8%	34.8%	0
Energy	0	0		0	0				
Eliminations / Holding	-43	-50	-15%	-10	-6	68%			
Mexichem Consolidated	**1,262**	**1,442**	**-12%**	**200**	**198**	**1%**	**15.9%**	**13.7%**	**214**

1Q15	In million dollars	1Q16		Sub16	Sub16/1Q15
Revenues		**Revenues**	**FX**	**Total**	**% Var Comp**
540	**Vinyl**	499	5	504	-7%
788	**Fluent**	667	117	783	-1%
1,328	**Ethylene (Vinyl + Fluent)**	**1,165**	**122**	**1,287**	**-3%**
164	**Fluor**	139	1	141	-14%
0	**Energy**	0	0	0	
-50	**Eliminations/ Holding**	-43	0	- 43	-15%
1,442	**Total**	**1,262**	**123**	**1,385**	**-4%**

1Q15	1Q15	In million dollars	1Q16		Sub16	Sub16/1Q15	Sub16/1Q15 *
EBITDA	**EBITDA***		**EBITDA**	**FX**	**Total**	**% Var Comp**	**% Var Comp**
68	68	**Vinyl**	79	1	80	17%	17%
78	87	**Fluent**	82	28	110	41%	26%
147	**156**	**Ethylene (Vinyl + Fluent)**	**161**	**29**	**190**	**29%**	**22%**
57	57	**Fluor**	49	0	49	-15%	-15%
0	0	**Energy**	0	0	0		
-6	-6	**Eliminations/ Holding**	-10	0	- 10	68%	68%
198	**207**	**Total**	**200**	**29**	**229**	**16%**	**11%**

*Excludes $9 million of restructuring costs and non-recurring expenses

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ABOUT MEXICHEM

Mexichem is one of the worldwide leader in plastic pipes, and one of the largest chemical and petrochemical companies, with more than 50 years of experience in LatAm. The Company contributes to the development of the countries by delivering an extended portfolio of products used in high growth sectors such as infrastructure, housing, telecommunications, drinking and potable water in Mexico, the USA, Europe, Asia, Africa (South Africa), Middle East (Oman), and LatAm. The Company has annual revenues of US$5.7 billion, and has been traded on the Mexican Securities Exchange for more than 30 years.

Forward-looking Statements

In addition to historical information, this press release contains "forward-looking" statements that reflect management's expectations for the future. The words "anticipate," "believe," "expect," "hope," "have the intention of," "might," "plan," "should" and similar expressions generally indicate comments on expectations. The final results may be materially different from current expectations due to several factors, which include, but are not limited to, global and local changes in politics, the economy, business, competition, market and regulatory factors, cyclical trends in relevant sectors; as well as other factors that are highlighted under the title "Risk Factors" on the annual report submitted by Mexichem to the Mexican National Banking and Securities Commission (CNBV). The forward-looking statements included herein represent Mexichem's views as of the date of this press release. Mexichem undertakes no obligation to revise or update publicly any forward-looking statement for any reason unless required by law."

Mexichem has implemented a new Code of Ethics that rules its relationships with its employees, clients, suppliers and general groups. Mexichem's Code of Ethics is available for consulting in the following link: http://www.mexichem.com/Codigo_de_etica.html Additionally, according to the terms contained in the Securities Exchange Act No 42, Mexichem Audit Committee established a mechanism of contact, which allows that any person that knows the unfulfilment of operational and accounting records guidelines and lack of internal controls of the Code of Ethics, from the Company itself or from the subsidiaries that this controls, file a complaint which is anonymously guaranteed. The whistleblower program is facilitated by a third party. The telephone number in Mexico is 01-800-062-12-03. The website is http://www.ethic-line.com/mexichem and contact e-mail is mexichem@ethic-line.com. Mexichem's Audit Committee will be notified of all complaints for immediate investigation.

Mexichem.

INDEPENDENT ANALYSTS

Currently, the following investment firms have analysts who cover Mexichem:

-Actinver

-Bank of America Merrill Lynch

-Banorte-Ixe

-Barclays

-BBVA Bancomer

-BTG Pactual

-Citigroup

-Credit Suisse

-GBM-Grupo Bursátil Mexicano

-Grupo Santander

-HSBC

-Interacciones

-Intercam

-Invex Casa de Bolsa

-ITAU BBA

-JP Morgan

-Monex

-Morgan Stanley

-Vector

INTERNAL CONTROL

Mexichem's bylaws provide the existence of the Audit and Corporate Practices Committees, intermediate corporate organs constituted in agreement with the applicable law to assist the Board of Directors to carry on their functions. Through these committees and the external auditor it is given reasonable safety that transactions and company's acts are executed and registered in accordance with the terms and parameters set by the Board and directives of Mexichem, the applicable law and different general guidelines, criterion and IFRS (International Financial Reporting Standards).

ANNEX: RECONCILIATION SUMMARY OF QUARTERLY RESULTS 1Q16/1Q15 IN A COMPARABLE BASIS (NORMALIZED BY DISCONTINUED OPERATIONS IN 1Q15)

CONSOLIDATED INCOME STATEMENT

	First Quarter		
USD in thousands	**2016**	**2015**	**Var**
Net Sales	1,262,383	1,437,475	-12%
Cost of Sales	903,023	1,068,626	-15%
Gross Profit	**359,360**	**368,849**	**-3%**
Operating Expenses	250,088	276,452	-10%
Operating Income	**109,272**	**92,397**	**18%**
Financial Cost	43,411	67,932	-36%
Equity in income of associated companies	(927)	727	-228%
Income from continuing operations before income tax	**66,788**	**23,738**	**181%**
Income tax	17,388	7,943	119%
Income from continuing operations after incor	**49,400**	**15,795**	**213%**
Discontinued operations	583	(1,662)	
Consolidated net income	**49,983**	**14,133**	**254%**
Minority Stock holders	(610)	(4,837)	-87%
Majority stock holders	**50,593**	**18,970**	**167%**
EBITDA	**200,418**	**199,007**	**1%**

FLUOR BUSINESS GROUP
INCOME STATEMENT
USD in thousands

	First Quarter		
	2016	**2015**	**% Var**
Sales	139,376	160,548	-13%
Operating Income	33,375	41,550	-20%
EBITDA	48,562	57,924	-16%

CONSOLIDATED BALANCE SHEET

USD in thousands	March 2016	March 2015
Total Assets	**8,840,463**	**8,334,563**
Cash and temporary investments	586,462	403,207
Receivables	896,554	1,018,378
Inventories	660,804	716,009
Others current assets	150,362	254,480
Long term assets	6,546,281	5,942,489
Total liabilities	**5,040,949**	**4,928,943**
Current liabilities	1,829,931	1,646,637
Long term liabilities	3,211,018	3,282,306
Consolidated shareholders'equity	**3,799,514**	**3,405,620**
Minority shareholders'equity	816,343	499,457
Majority shareholders'equity	**2,983,171**	**2,906,163**