Mexichem.

	Stock information	Bolsa Mexicana de Valores	Ticker Symbol: MEXCHEM*

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Mexichem reports 2014 Second Quarter 2014 and First Half Results

Tlalnepantla, State of Mexico, July 23, 2014 - Mexichem, S.A.B. de C.V. (BMV: MEXCHEM*) ("the Company" or "Mexichem") today announced its unaudited results for the second quarter ended June 30, 2014. 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 to the contrary.

Second Quarter 2014 Financial and Operating Highlights

- **Revenues increased 7% to $1.5 Billion, driven by the positive performance of Resins, Compounds and Derivatives and Integral Solutions**
- **EBITDA was $257 million, slightly ahead of last year's second quarter, excluding a one-time reserve reversal that occurred in 2013; 2Q14 EBITDA benefitted from the improved performance of the European operations of the Integral Solutions Chain**
- **Net income was $50 million, impacted by foreign exchange operations and higher amortization following acquisitions; net income from continuing operations was $53.4 million**
- **Net Debt to EBITDA Ratio was 1.3x at quarter-end**
- **Positive preliminary resolution in case against Chinese refrigerant gas manufacturers; initial benefit expected in 2H14**
- **PMV joint venture continues on schedule with new equipment to be installed in 3Q14; Ethylene cracker on pace to be operational in early 2017**

Conference Call

Mexichem will host a conference call to discuss its 2Q14 results on Thursday, July 24, 2014 at 10:00 Mexico City / 11:00 NY. To access the call, please dial 001-855-817-7630 (Mexico), or 1-866-652-5200 (United States) or 1-412-317-6060 (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 at http://services.choruscall.com/links/mexichem140724.html

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

CONSOLIDATED RESULTS

	Second Quarter			January - June		
Consolidated (mm US$)	2014	2013	%Var.	2014	2013	% Var.
Net Sales	1,455	1,354	7%	2,783	2,570	8%
Operating Income	158	193	-18%	259	334	-22%
Net Income	50	105	-52%	99	147	-33%
Net Income from continuing operations	53	111	-52%	105	163	-36%
EBITDA	257	270	-5%	454	490	-7%
Cash Flow	-30	96	N/A	-182	56	N/A
Dividends	0	-20	-100%	0	-40	-100%
Free Cash Flow	-30	76	N/A	-182	15	N/A

MANAGEMENT COMMENTARY

Performance and Outlook

"Second quarter results benefited from our strategy of increasing Mexichem's scale and extending the Company's geographic diversification through a combination of organic and acquisition growth initiatives. Our financial performance was consistent with our guidance, with revenue growth driven by increased capacity, the positive contributions from our European pipe operations and the addition of our specialty resins business. As anticipated, increased sales from our Chlorine Vinyl and Integral Solutions Chains more than offset the expected sales decline in our Fluorine Chain, where we are pleased to report that improvements are on the horizon," said Antonio Carrillo, Chief Executive Officer.

"EBITDA increased modestly on a year-over-year basis, after adjusting to exclude the benefit of a one-time environmental reserve reversal in the Fluorine Chain that occurred in last year's second quarter. Integral Solutions, however, was the only Chain to report higher EBITDA, benefitting from the restructuring programs that we implemented in 2013. The Chlorine Vinyl Chain's EBITDA comparisons were basically flat, impacted by higher raw material costs, inefficiencies due to shortages of VCM and relatively weak demand in the Mexican market. After giving effect to the environmental reserve reversal, the EBITDA performance of our Fluorine Chain was 9% below last year's second quarter, primarily reflecting lower volumes in our upstream fluorspar business, where certain customers continue to work through high inventory levels.

Second quarter 2014 net income from continuing operations was $53.4 million; net income was $50 million, and our net debt to EBITDA ratio was 1.3x at the end of the 2014 first half, providing Mexichem the flexibility to continue to invest in vertical integration and in the expansion of our portfolio of specialty products.

Looking ahead, we continue to expect the second half of 2014 to show solid EBITDA growth over that of the 2013 second half, exclusive of our Venezuela operations, which remain difficult to project, and PMV, our joint venture with Pemex. This year's second half 2014 results should benefit from additional capacity and ongoing operating efficiencies, a more favorable product mix and better pricing. In fact, in those areas that are within our control, we are confident that our performance will continue to improve. However, this performance will be muted by the near term impact of ethylene shortages which will create VCM shortages and will increase our cost base in the third quarter and result in production constraints in PVC resin. This situation reinforces the merits of our vertical integration strategy, which will be implemented when the PMV joint venture and ethylene cracker become fully operational in 2015 and early 2017, respectively.

As we look to later this year and 2015, we are very encouraged by our growth prospects. In our **Fluorine Chain**, we have concluded contract negotiations with our major fluorspar customers, and higher shipments at new pricing levels have already gone into effect. The preliminary ruling from the U.S. Department of Commerce points towards greater demand at higher price for Mexichem's refrigerant gases beginning in late 2014. In the **Chlorine Vinyl Chain**, we expect to continue to see solid demand for our specialty resins and compounds in the US, though we do not see improvements in the Mexican economy until late in the year. Also in late 2014, we will see higher and more consistent production from our PMV joint venture. The **Integral Solutions Chain** is expected to benefit from a pick-up infrastructure and construction spending in Europe where in Latin America growth will come from expanded capacity and further efficiency gains. As noted earlier, the major caveat we would point to is our Venezuelan operation, which contributed approximately 3% to our first half 2014 EBITDA, the potential for uneven PMV operations as we undertake the major refurbishment, and natural gas pricing, which has eased but remains at above-average levels.

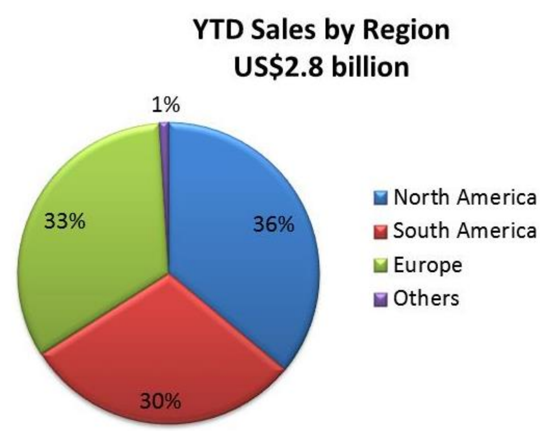
Additionally, we continue to have an active acquisition pipeline comprised of companies that have the potential to be significantly additive to our current business. Mexichem's strong balance sheet, diversified operations and leading market positions provide a platform to accelerated growth," Mr. Carrillo concluded.

SALES

Sales in 2Q14 increased $101 million or 7% year-on-year to $1.5 billion, mainly due to the following factors:

- An $87.0 million or 24% increase in third party sales in our Chlorine Vinyl Chain. Third party sales for Resins, Compounds and Derivatives raised $94 million due to the consolidation of the specialty resins business, and increased capacity. This was offset by a $7 million decline in PMV sales to third parties, which reflected greater internal consumption of chlorine, reducing the amount available to be sold to third parties.
- A $24 million or 3% sales increase in our Integral Solutions Chain mainly due to higher sales in Western Europe.
- These positive factors were offset by a decline of 5%, or $9 million, in sales in the Fluorine Chain caused primarily by lower fluorspar volumes and prices for refrigerant gases. Both of these factors were in line with Mexichem's expectations.

SALES BY REGION:



EBITDA

2Q14 EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) was $257 million, $13.0 million or 5% lower than in 2Q13, reflecting a decline in the Fluorine Chain's EBITDA, stable Chlorine Vinyl EBITDA and an increase in Integral Solutions EBITDA

The decline in Fluorine Chain EBITDA compared to last year was mainly due to the reversal of an environmental provision, which benefitted 2Q13 EBITDA by $15 million. The Chain's EBITDA was also affected by lower fluorspar volumes and reduced prices for refrigerant gases.

The EBITDA decline in the Fluorine Chain was partially offset by a 3% increase in Integral Solutions, where operations in Western Europe benefitted from restructuring initiatives taken during 2013 as well as more stable economic conditions.

OPERATING INCOME

Operating income for the second quarter was $158 million, 18% lower than in 2Q13. In addition to the factors above, the decline in operating income was due to higher depreciation and amortization expenses in the Chlorine-Vinyl Chain. This was mainly the result of an increase in intangible assets related to the acquisition of the specialty resins business in May 2013, as well as the addition of PMV's ethylene and VCM plants in September 2013.

FINANCIAL INTEREST AND FOREIGN EXCHANGE EARNINGS

Financial interest and foreign exchange expenses totaled $73.7 million in 2Q14, compared with financial interest and foreign exchange expenses of $16.4 million in 2Q13. In 2Q14, movements in the Mexican peso created a small loss, while in 2Q13, movements in the Mexican peso generated a gain of $33 million. These expenses are related to cash and cash equivalents held in Mexican pesos, as well as debt denominated in Mexican pesos. In 2Q14, the Company also recorded a loss of $32.8 million related to foreign exchange operations in Venezuela. The Company now holds $29 million of cash in Venezuela, compared with $61 million as of March 31, 2014. These currency effects more than offset a decline in net interest and gains on investments from an expense of $40.7 million in 2Q13 to $31.8 million in 2Q14.

In the first half of 2014, net financial costs totaled $102.6 million, compared with $79.7 million in the first half of 2013. This increase was mainly the result of expenses related to movements in the Mexican peso, and the $32.8 million loss related to foreign exchange operations in Venezuela registered in 2Q14.

INCOME TAXES

Income tax expense in 2Q14 totaled $32.8 million, 50% lower than in 2Q13, resulting from lower income from continuing operations before income taxes. Mexichem's effective tax rate in 2Q13 was 37.2%, compared with 38% in 2Q14.

In 1H14, income tax expense totaled $54.3 million, a 42% decrease from 1H13. This was the result of lower operating profit, a change in the proportion of income that was taxable, and a change in the tax regime for mining companies in Mexico.

NET INCOME

In 2Q14, net income totaled $49.8 million compared to $104.6 million in 2Q13. This decrease was primarily due to foreign exchange rate losses related with foreign exchange operations in Venezuela and lower operating income, partially offset by lower income taxes.

Net income from continuing operations totaled $53.4 million, compared with $111.5 million in 2Q13.

CASH FLOW HIGHLIGHTS

	Second Quarter			January - June		
Free Cash Flow	2014	2013	%Var.	2014	2013	% Var.
EBITDA	257	270	-5%	454	490	-7%
Taxes	-35	-39	-10%	-62	-87	-28%
Net Interest	-42	-36	18%	-62	-72	-14%
Bank Commissions	-4	-4	11%	-9	-8	13%
Foreign Exchange Expense (Venezuela)	-33	0		-33	0	
Currency & Dual Terms Swaps	0	-3	N/A	3	-2	N/A
Change in Working Capital	-98	-46	116%	-283	-159	78%
Operating cash flow before Capex	44	143	-69%	9	162	-95%
CAPEX (organic)	-42	-47	-11%	-96	-106	-10%
CAPEX (JV)	-32	0	N/A	-95	0	N/A
Cash Flow	-30	96	N/A	-182	56	N/A
Dividends	0	-20	-100%	0	-40	-100%
Free Cash Flow	-30	76	N/A	-182	15	N/A

Operating cash flow before capital expenditures was $44 million in 2Q14, compared with $143 million in 2Q13. The decline was mainly due to lower EBITDA ($13 million), the Venezuelan operation’s foreign exchange loss ($33 million) and increased working capital in absolute dollars, mainly due to the seasonality in our European Integral Solutions business.

Capital expenditures in 2Q14 totaled $74 million, of which $32 million was related to joint ventures with Pemex and OxyChem.

Capital expenditures for 1H14 were $191 million, including $80 million invested in the joint venture with OxyChem.

NET WORKING CAPITAL

Net working capital as of June 30, 2014 was $955 million, compared to $672 million as of December 30, and $893 million as of June 2013. The increase in working capital, is mainly related to the growing proportion of consolidated revenue attributable to operations in Europe, a market that typically displays greater seasonality. The cash conversion cycle in 2Q14 was 27 days, compared with 28 days in 2Q13.

FINANCIAL DEBT

	Twelve months Pro forma	
	Jun 2014	Dec 2013
Net Debt USD	1,159	933
Net Debt/EBITDA 12 M	1.3x	1.0x
Interest Coverage	6.2x	8.2x
Outstanding Shares	2,100,000,000	2,100,000,000

Financial debt as of June 30, 2014 was $2.2 billion, while cash and cash equivalents totaled $1.0 billion, resulting in net financial debt of $1.2 billion. The increase was primarily due to expenditures related to Mexichem's joint ventures with Pemex and OxyChem and to increased working capital needs.

The Net Debt / EBITDA ratio was 1.3x (LTM EBITDA as of June 2014 was $863 million) at the end of 2Q14, well within the Company's internal target of 2x. The Interest Coverage / EBITDA ratio was 6.2x at the end of 2Q14.

CONSOLIDATED BALANCE SHEET

Balance Sheet	USD in thousands Jun 2014	Dec 2013	%
Total assets	**8,567,726**	**8,181,802**	**5%**
Cash and temporary investments	1,043,673	1,232,561	-15%
Receivables	1,214,543	896,777	35%
Inventories	815,369	728,805	12%
Others current assets	197,952	194,835	2%
Long term assets	5,296,189	5,128,824	3%
Total liabilities	**4,764,219**	**4,590,745**	**4%**
Current portion of long-term debt	70,778	62,121	14%
Suppliers	1,074,935	953,147	13%
Other current liabilities	561,373	499,677	12%
Long-term debt	2,132,222	2,103,086	1%
Other long-term liabilities	924,911	972,714	-5%
Consolidated shareholders'equity	**3,803,507**	**3,591,057**	**6%**
Minority shareholders'equity	373,275	292,501	28%
Majority shareholders'equity	**3,430,232**	**3,298,556**	**4%**
Total liabilities & shareholders' equity	**8,567,726**	**8,181,802**	**5%**

CONSOLIDATED STATEMENT OF RESULTS

USD in thousands	Second Quarter			January - June		
INCOME STATEMENT	**2014**	**2013**	**%**	**2014**	**2013**	**%**
Net sales	1,455,028	1,353,629	7%	2,782,557	2,569,529	8%
Cost of sales	1,052,259	932,846	13%	2,037,111	1,771,924	15%
Gross profit	**402,769**	**420,783**	**-4%**	**745,446**	**797,605**	**-7%**
Operating expenses	245,198	227,770	8%	486,055	463,467	5%
Operating income	**157,571**	**193,013**	**-18%**	**259,391**	**334,138**	**-22%**
Financial cost	73,719	16,447	348%	102,583	79,723	29%
Other expenses	(2,272)	(1,050)	116%	(2,172)	(1,588)	37%
Income from continuing operations before income tax	**86,124**	**177,616**	**-52%**	**158,980**	**256,003**	**-38%**
Income tax	32,773	66,135	-50%	54,257	93,383	-42%
Income from continuing operations	**53,351**	**111,481**	**-52%**	**104,723**	**162,620**	**-36%**
Discontinued operations	(1,057)	(5,907)	-82%	(615)	(13,685)	-96%
Consolidated net income	**52,294**	**105,574**	**-50%**	**104,108**	**148,935**	**-30%**
Minority stockholders	2,540	981	**159%**	5,144	1,765	**191%**
Net income	**49,754**	**104,593**	**-52%**	**98,964**	**147,170**	**-33%**
EBITDA	**256,710**	**270,474**	**-5%**	**454,393**	**489,884**	**-7%**

INTEGRAL SOLUTIONS CHAIN

	Second Quarter			January - June		
Integral Solutions Chain	2014	2013	%Var.	2014	2013	% Var.
Sales	825	801	3%	1,569	1,501	5%
Operating Income	67	70	-4%	102	105	-3%
EBITDA	112	110	3%	191	185	3%
	Second Quarter				January - June	
Volume (Var. %)	0%				4%	

2Q14 Integral Solutions' sales were $825 million, 3% higher than in 2Q13. European sales increased 6% in the second quarter, while Latin American sales fell 1%. The decrease in Latin American sales is largely due to currency movements and continued weakness in countries such as Mexico and Peru.

1H14 sales rose 5% to $1.6 billion. First half European sales increased approximately 9%, while Latin American sales were flat.

Operating income in the second quarter fell 4% to $67 million largely as the result of the appreciation of the US dollar against the Euro and Latin American currencies. First half operating income fell 3% to $102 million.

EBITDA for the quarter was $112 million, an increase of 3%, or $2.8 million, compared with 2Q13. This was due to a 14% increase in Europe, following restructuring efforts carried out since 2013.

Based on an exchange rate of $6.30 bolivars per dollar which is the applicable exchange rate for companies such as Mexichem, 2Q14 EBITDA from Venezuelan operations was $6.90 million compared with $12.3 million in 2Q13. For 1H14, EBITDA from Venezuelan operations was $15.5 million, compared with $20.2 million in 1H13.

CHLORINE VINYL CHAIN

	Second Quarter			January - June		
Chlorine - Vinyl Chain	2014	2013	%Var.	2014	2013	% Var.
Total Sales**	511	464	10%	999	886	13%
Operating Income	49	67	-27%	96	129	-26%
EBITDA	80	81	-1%	159	157	1%

	Second Quarter	January - June
Volume (Var. %)	2%	7%

**Intercompany sales were $62 million and $101 million for 2Q 2014 and 2013, respectively, and $125 million and $191 million for 1st half of the year.

	Second Quarter			January - June		
Resins, Compounds & Derivatives	2014	2013*	%Var.	2014	2013*	% Var.
Total Sales**	495	420	18%	973	812	20%
Operating Income	43	52	-16%	88	104	-15%
EBITDA	63	63	0%	129	127	2%

	Second Quarter	January - June
Volume (Var. %)	13%	18%

*Coatzacoalcos plant results re-allocated in PMV section in 2013

**Intercompany sales were $80 million and $99 million for 2Q 2014 and 2013, respectively, and $157 million and $192 million for 1st half of the year.

	Second Quarter			January - June		
PMV	2014	2013*	%Var.	2014	2013*	% Var.
Total Sales**	69	42	62%	124	76	62%
Operating Income	6	15	-62%	7	24	-70%
EBITDA	18	18	-3%	31	30	1%

	Second Quarter	January - June
Volume (Var. %)	17%	24%

*2013 figures are proforma. Include Coatzacoalcos plant

**Intercompany sales were $34 million and $1 million for 2Q 2014 and 2013, respectively, and $65 million and $2 million for 1st half of the year.

The Chlorine Vinyl Chain reported sales of $511 million in 2Q14, 10% higher than in 2Q13[1].

Sales of Resins, Compounds and Derivatives increased 18% in 2Q14, and 20% in 1H14. These increases were mainly due to higher resin volumes, coming from greater capacity in Mexico and Colombia and the acquisition of the Specialty Resins business. As part of the joint venture with Pemex, Mexichem is in the process of consolidating its sales of derivatives, mainly caustic soda, under PMV. This process will be complete by the end of 2014.

2Q14 PMV sales rose 62% to $69 million, thanks to sales of ethylene and the switch from selling caustic soda and chlorine to selling VCM.

Operating income for the second quarter was $49 million, compared with $67 million a year earlier. First half operating income was $96 million, compared with $129 million a year earlier. These declines were due mainly to higher depreciation and amortization expenses following the incorporation of ethylene and VCM plants related to the joint venture with Pemex in September 2013 and the acquisition in May 2013 of the specialty resins business.

2Q14 EBITDA for the Chlorine Vinyl Chain decreased 1%, or $1 million, to $80 million while for the 1H14 EBITDA increased 1%, or 2 million. This was achieved despite higher expected natural gas prices and higher VCM prices.

FLUORINE CHAIN

	Second Quarter			January - June		
Fluorine Chain	2014	2013	%Var.	2014	2013	% Var.
Sales	181	189	-5%	340	373	-9%
Operating Income	49	70	-30%	79	121	-35%
EBITDA	67	88	-24%	112	158	-29%
	Second Quarter				January - June	
Volume (Var. %)	-9%				-14%	

2Q14 sales fell 5%, or $8 million, to $181 million, while 1H14 sales fell 9%, or $33 million, to $340 million. In both cases, the decline in sales is due to lower sales volume of fluorspar and lower prices of refrigerant gases compared with 2013.

[1] 2013 data for Resins, Compounds and Derivatives as well as for PMV are pro forma data for comparative purposes.

2Q14 EBITDA totalled $67 million, compared with $88 million a year earlier, including the reversal of the environmental provision in 2Q13. 1H14 EBITDA totalled $112 million, compared with $158 million a year earlier.

RECENT EVENTS

- In the second quarter of 2014, the U.S. Department of Commerce issued a preliminary resolution related to the countervailing and antidumping case submitted by Mexichem against the Chinese imports of refrigerant gases. The preliminary ruling imposed import taxes of 203% in average of the US FOB port price on imports of refrigerant gases from Chinese manufacturers. The final resolution is expected to be released in 4Q14. It will be in effect for 5 years, and will be renewable for another 5 years.
- Renovations at PMV's VCM plant continue. As previously announced, the plant is scheduled to be closed for maintenance starting August of 2014. During this stoppage, the plant's vacuum column will be replaced. This will allow for higher and more consistent production of VCM when the plant re-opens in 4Q14. The second phase to complete the VCM capacity increase will be carried out during yearly maintenance in 3Q15.
- In 2Q14, Mexichem, made an equity contribution of $20 million to its joint venture with OxyChem. To date, Mexichem has made a total equity contribution of $143 million to this joint venture. In the second quarter, Mexichem and OxyChem received the pending permits to build and operate the ethylene cracker in Texas. The project continues on schedule and is expected to begin operations in early 2017.
- During the quarter, Mexichem completed the expansion of its PVC plant in Colombia and also of a small PVC facility in Mexico. With this expansion and last year´s acquisition of the specialty resins business, Mexichem´s total resins capacity is now approximately 1.3 million tons per year.
- On July 2, 2014, Mexichem announced that effective June 30, 2014, it signed an amendment increasing its revolver facility to US$1.5 billion from US$1.0 billion, extending the term to 5 years from 3 years and improving its financial condition based on Standard & Poor´s ratings ('BBB-' Global Scale and 'MXAA/MXA-1' national scale) and Fitch ratings ('BBB' Global Scale and 'AA+ (mex)' national scale) and the recurrent usage of this facility. The amended facility can be used for general corporate purposes, without any restrictions.
- In July, one of Mexichem's main suppliers of VCM informed the Company that some shipments of VCM scheduled for the third quarter may not be available. The supplier cited reduced availability of ethylene following the exercise of a force majeure clause.
- On July 15, the Company announced that Pemex had selected a consortium consisting of Mexichem, Enesa Energía S.A. de C.V, and Invenergy Clean Power LLC to build its Cactus cogeneration project. The consortium will partner with MGC Cactus, S.A.P.I. de C.V., a subsidiary of Pemex. The Cactus cogeneration project will generate electricity using the steam produced by Pemex's Cactus gas processor facility, located

approximately 39km from the city of Villahermosa. The plant will have a preliminary capacity of 530 MW and 500 tons of steam per hour. The plant is expected to begin operations in the first half of 2018, and will represent total investment of $650 million.

ABOUT MEXICHEM

Mexichem is a global specialty chemical company, producing key raw materials for products used in infrastructure, housing, drinking water and other vital industries. Our clients are located in more than 50 countries and rely on our efficient production to satisfy their needs. At present, the company is focusing on its three key production chains: Chlorine Vinyl (including Resins, Compounds and Derivatives, and PMV), Integral Solutions and Fluorine. The Company has annual revenues of more than US$ 5 billion, and has been traded on the Mexican Securities Exchange for more than 30 years.

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Forward-looking Statements

This press release includes declarations relating to, and is subject to, current expectations as factors, including, without limitation, global economic and market conditions, the costs of raw materials and energy, expenses, revenues and earnings of Mexichem and its segments and that of the relevant markets where its companies operate. These expectations are based on certain preliminary information, internal estimates, expectations and assumptions of management. All of these things are subject to a series of risks and uncertainties in the projection of future conditions, regulations in the relevant market, products and fields of industry issued by the respective authorities, as well as events and results. Real results could differ significantly from the expectations expressed in prospective declarations. Mexichem may choose to update these prospects, but specifically rejects any responsibility to do so, except as required by law.

Independent Analysts

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

- -HSBC
- -Grupo Santander
- -JP Morgan
- -Bank of America Merrill Lynch
- -BBVA Bancomer
- -Citigroup
- -Credit Suisse
- -Morgan Stanley
- -GBM-Grupo Bursátil Mexicano
- -UBS
- -ITAU BBA
- -BTG Pactual
- -Actinver
- -Invex Casa de Bolsa
- -Banorte-Ixe
- -Scotia Capital
- -Vector
- -Monex