Informacíón de la acción | Bolsa Mexicana de Valores | Símbolo: MEXCHEM*

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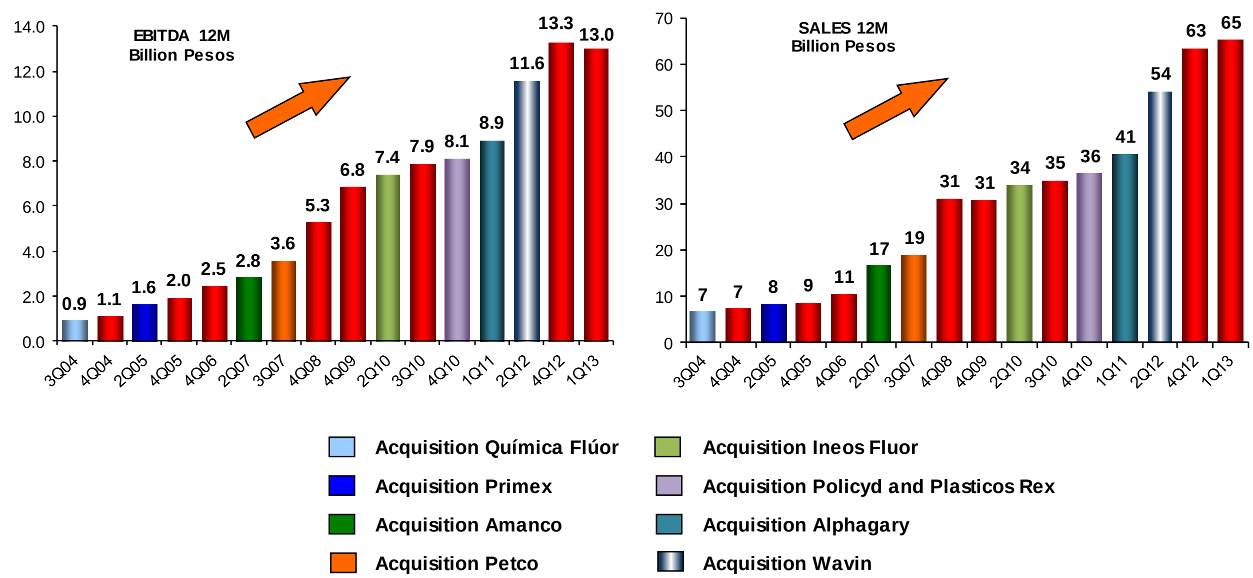
Consolidated Results

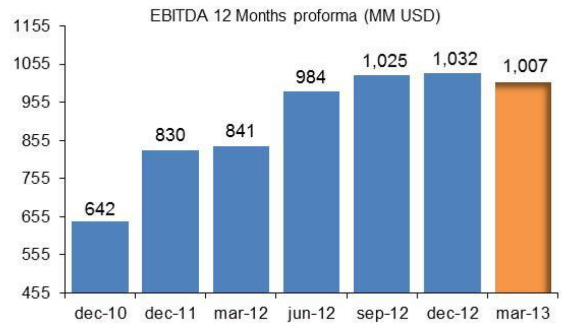
	First Quarter		
Consolidated Million Pesos	**2013**	**2012**	**%Var.**
Net Sales	15,471	13,515	14%
Gross Profit	4,624	4,442	4%
Net Income	836	1,814	-54%
Operating cash flow (EBITDA)	2,697	2,938	-8%
Free cash flow	-226	288	N/A



On growth

Cumulative sales in the first quarter of 2013 increased 14% over the previous year reaching $ 15.471 billion pesos. The increase comes mainly from the integration of Wavin in the consolidated results, generating an increase of 11% in sales prices, and a 3% in volume.

EBITDA



EBITDA to March was $ 2.697 billion pesos, 8% lower than that in 2012. This was due mainly to the effect of the price of refrigerant gases in Fluorine chain and the extended maintenance turnaround of Pemex in Chlorine-Vinyl chain, both will be explained later.; however, the results obtained in the first quarter are in line with our goals for the year. The first quarter results were also affected by the "Easter week" that in 2012 took place in April.

The EBITDA / Sales margin in 2013 was 17%, which is 5% lower than that in 2012.

Interest expense and Exchange gain (loss), net

In the first quarter, this item had a net financial cost of $ 323 million pesos, compared with the profit obtained in same quarter of the previous year of $ 894 million pesos. The former resulted mainly from the fluctuation of the currency exchange.

The net variation consisted of the following:

In March 2013 we had a net foreign exchange gain of $ 58 million compared to that on March 2012 gain of $ 894 million pesos. In the first quarter of 2012 there was a revaluation of the peso against the dollar of 7.9% while in 2013 it was only 5%; additionally, in the first quarter of 2013, there was a great foreign exchange impact as liabilities, primarily dollar debt, were offset in large part by the cash in dollars coming from the capital increase made in October 2012. The difference in monetary exchange changes does not generate cash flow. The net interest expense for March 2013 was $ 363 million, $ 12 million more than that in the previous year, which represents an additional 3% due to higher debt.

Income tax

The accumulated income tax to March this year is $ 471 million pesos, which is 44% lower than that of the same period last year.

Gross profit (net profit without non-cash-generating items)

The cumulative gross generation in 2013 was $ 1.731 billion pesos, which shows a decrease of 4% against that of the same period last year, mainly due to the EBITDA and currency exchange loss

EBITDA and Free Cash Flow

	First Quarter		
Periods	2013	2012	% Var.
EBITDA	2,697	2,938	-8%
Free Cash Flow	-226	288	N/A

The company generated to March 2013 a negative free cash flow of $ 226 million pesos, $ 514 million less than the same quarter of last year, mainly because of the increase of working capital because seasonality in sales of Wavin.

Balance Sheet

Working Capital

Working capital at March 2013 was $ 10.652 billion pesos, 10% higher than that of 2012. This Increase is mainly because of the increase in accounts receivable related to the normal seasonality, where the level of sales in the first quarter is higher than that in the fourth quarter, additionally important maturity payments to suppliers were covered. Nevertheless, net working capital is in line with expectations because by the end of the first quarter it was 27 days for 2013 and 31 for the same quarter of 2012.

Net Debt

Net debt at the end of March this year concluded in dollar terms at $ 814 million.

The ratio of net debt to EBITDA is 0.81x in dollars, we remain below our internal goal of 2.0x. The interest coverage ratio is 9.0 times.

	Twelve months Pro forma	
	2013	2012
Net Debt US$ MM	814	685
Net Debt/EBITDA 12M	0.81x	0.66x
Net Interest coverage	9.0x	3.9x
Outstanding Shares	2,100,000,000	2,100,000,000

Operating Results by Chain

Integrated Solutions Chain

Integral Solutions Chain	First Quarter 2013	2012	% Var.
Net sales	8,855	4,990	77%
Operating Income	445	666	-33%
EBITDA	948	908	4%

Volumes & Prices	First Quarter
Total Volume	67%
Average selling prices	6%

Regarding revenues for the quarter, these totaled $ 8.855 billion pesos, 77% higher than those of 2012. Wavin sales were $ 4.264 billion pesos, which accounted for 85% of total increase. Sales in Latin America fell 8% compared to that in the first quarter of 2012, resulting from a decline in infrastructure projects in countries such as Mexico, Colombia and some in Central America, this decline was originated mainly because of changes in government federal or local.

EBITDA, during this period of 2013 totaled $ 948 million, 4% higher than that achieved in 2012. It's important to highlight that 2012 results does not consider Wavin operations. In the first quarter 2013 Wavin results are included, and this quarter is the lowest because a decrease in the infrastructure projects because of the winter. 2013 results have two effects: the first one negative because of an especially harsh winter in Northern Europe which caused a decrease in sales and EBITDA for the region. The second effect was positive caused by an improvement in the UK results as product of the restructure implemented. This positive effect compensated the negative impact from the winter and helped the Wavin's results to be in line with expectations.

Chlorine-vinyl chain

Vinyl - Chlorine Chain	First Quarter 2013	2012	% Var.
Net sales	5,349	6,661	-20%
Operating Income	772	881	-12%
EBITDA	978	1,110	-12%

Volumes & Prices	First Quarter
Total Volume	-22%
Average selling prices	3%

The chlorine-vinyl chain reported to March 2013 revenues totaling $ 5.349 billion pesos, 20% below that in the same period of 2012. The achieved EBITDA was $ 978 million, 12% lower than that reported in 2012.
The chain was affected due to the extraordinary shutdowns of Pemex and PPG (which also affected our results for the last quarter of 2012). It is important to mention that Pemex started normal operations in March. Furthermore, there has been a breakthrough in negotiations regarding the strategic alliance with Pemex, which among other things will normalize the operations of the facility.

Fluorine Chain

	First Quarter		
Fluorine Chain	2013	2012	%Var.
Net sales	2,406	3,172	-24%
Operating Income	500	1,008	-50%
EBITDA	802	1,235	-35%
Volumes & Prices	First Quarter		
Total Volume	4%		
Average selling prices	-27%		

Fluorine chain reports sales $ 2.406 billion pesos, 24% lower than that in the same period of 2012, resulting from a decrease in sales prices (27%) mainly in refrigerant gas prices, which are significantly lower than those in the first quarter last year but similar to those of the last quarter of 2012; particularly in the quarter also acid grade Fluorspar, which prices were lower because of the mix of customers we had sales to.

Outlook

During the first quarter we face adverse situations, some of which also impacted the results of the last quarter of 2012, as the extended maintenance shutdown of Pemex (which impacted in $ 14 million the quarter), price level of refrigerant gases remains very similar to the last quarter of 2012, but significantly lower than that of 1Q2012, macroeconomic factors and a harsh winter mainly in Europe. The combination of the factors described above impacted both sales and EBITDA.

The Wavin restructuring strategy, which is to adapt the business model to market conditions in Europe, is progressing according to plan. In 1Q13 we began to receive benefits of it, during the second quarter we will see more relevant benefits as a result of the strategy. The transfer of Equipment to Eastern Europe and Latin America is underway and such operations will begin production early third quarter 2013.

The Wavin synergies strategy continues to give results, which will increase as product and process technology transfers are completed case by case according to plan delivering new solutions primarily to Latin American markets.

The expectations for the second quarter of 2013 are: For Integral Solutions we expect better conditions typical of the seasonality of the year and particularly for Wavin, where besides the seasonality we don't expect negative climatology impacts and on the other hand we expect restructuring benefits. For Chlorine Vinyl we also expect better conditions by not having the Pemex shutdown as well as the seasonality of the market, For the Fluorine Chain the expectations are that refrigerant gas prices remain at the same level of the first quarter. Despite prices of Fluorspar and hydrofluoric acid are at historical levels these are not reflected in our results because some sales contracts, at fixed prices, expire in 2014, for this reason we'll se improvements along the year. Negotiations for the renewal of such contracts have been concluding taking them to market conditions.

Regarding Mergers and Acquisitions process, in the Chlorine Vinyl Chain although an agreement to acquire 100% of the PVC Resin operations of PolyOne is concluded, we are waiting for approval by the corresponding authorities in the U.S.

As a result of the approval for the joint venture with Pemex by both Boards of Directors, we have initiated the contracting phase for the integration of Pajaritos complex operations into Mexichem. We expect that joint operations will begin during the second quarter of 2013. We are very excited about the startup of these operations, which will mark the beginning of Mexichem´s total vertical integration for the Chlorine Vinyl Chain combining the operations from Salt and Ethylene to VCM to reach 400 thousand tons per year of VCM to, partly, supply our PVC resin operations.

Furthermore we are awaiting the conclusion of the feasibility study for the construction of an ethylene cracker in the U.S. by means of a joint venture, if our expectations are confirmed we will start the investment for the project so operations can begin in 2016. Anticipating the success of this study we began with the permits process for construction and operation for the project.

There are two projects in the Fluorine Chain to continue the strategy for further integration into more value added products (Fluoropolymers and Fluoroeleastomers) in which we are working. In the Integral Solutions chain, we continue to analyze several options aligned with our strategy to consolidate the industry in Europe as well as the expansion of our product portfolio in Latin America.

Vertical integration strategies in the three chains, the geographic diversity (operations in 39 countries), and a focus on results, highlighting competitive advantages, all help to mitigate the adverse macroeconomic conditions as vertical integration decreases the volatility of upstream products, and the attractive growth in developing countries.

Formulating solutions and multiplying possibilities at all the levels of what we have come to call the triple result (economic, social, and environmental), we are able to be closer to our markets and clients at the same time, go further in terms of geographic scope. Now, more than ever, we shall continue to contribute to the development and improvement of people's quality of life through growth and innovation in all the fields where Mexichem participates directly or indirectly.

Consolidated Balance Sheet

	Pesos in thousands		
	mar-13	dec-12	%
Total assets	**95,275,361**	**100,094,481**	**-5%**
Cash and temporary investments	19,239,814	21,411,114	-10%
Receivables	12,616,828	12,039,857	5%
Inventories	9,348,697	9,735,301	-4%
Others current assets	1,430,292	1,655,617	-14%
Long term assets	52,639,730	55,252,592	-5%
Total liabilities	**54,608,173**	**57,648,714**	**-5%**
Current liabilities	17,890,285	19,765,525	-9%
Long-term liabilities	36,717,888	37,883,189	-3%
Consolidated shareholders'equity	**40,667,188**	**42,445,767**	-4%
Minority shareholders'equity	288,891	315,709	-8%
Majority shareholders'equity	**40,378,297**	**42,130,058**	**-4%**

Consolidated Income Statement

Pesos in thousands	January- March		
	2013	2012	%
Net Sales	15,470,633	13,515,087	14%
Cost of Sales	10,846,460	9,073,136	20%
Gross Profit	**4,624,173**	**4,441,951**	**4%**
Operating Expenses	3,001,239	2,325,863	29%
Operating Income	**1,622,934**	**2,116,088**	**-23%**
Financial Cost	323,198	(535,052)	-160%
Other Expenses	(6,806)	-	
Income from continuing operations before income tax	**1,306,542**	**2,651,140**	**-51%**
Income Tax	470,818	836,795	-44%
Consolidated net income	**835,724**	**1,814,345**	**-54%**
Minority Stock holders	9,923	5,443	82%
Majority stock holders	**825,801**	**1,808,902**	**-54%**
EBITDA	**2,696,793**	**2,937,518**	**-8%**