Information on the stock | Mexican Stock Exchange Ticker: | MEXCHEM*

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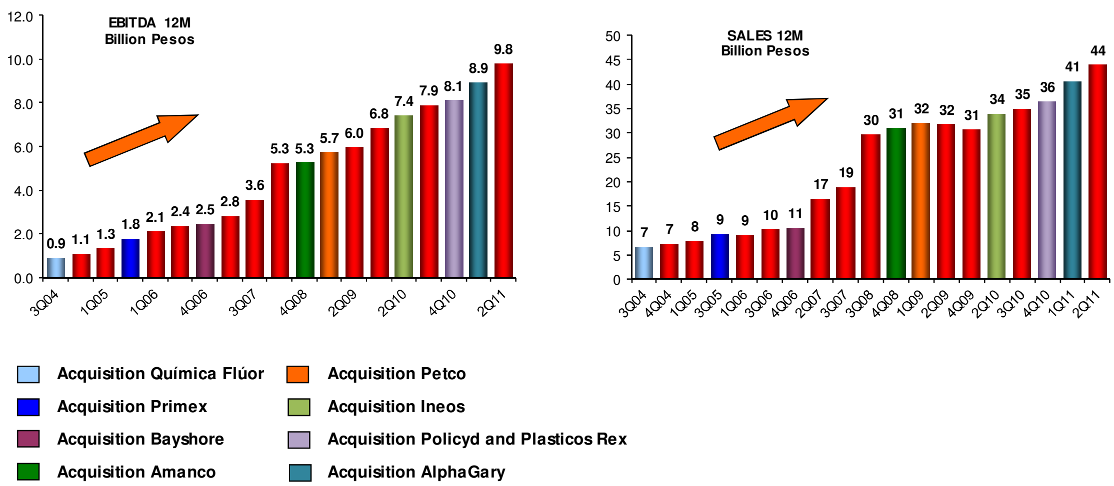
Consolidated Results

	Second Quarter			January- June		
Consolidated Million Pesos	2011	2010	%Var.	2011	2010	% Var.
Net Sales	12,295	8,902	38%	24,482	16,898	45%
Gross Profit	4,451	3,184	40%	8,392	6,080	38%
Net Income	1,326	804	65%	2,571	1,713	50%
Operating cash flow (EBITDA)	2,984	2,116	41%	5,579	3,890	43%
Free cash flow	2,516	1,748	44%	4,773	3,157	51%

The historical performance (in 12-month periods) for revenues and EBITDA in Mexichem's consolidated results shows extraordinary growth due to the acquisition of new companies and their corresponding synergies.



On growth

Mexichem's results at the end of the first half of 2011 (in their main indicators) were significantly positive. Consolidated sales rose 45% vs. the same period of last year, to $24.482 billion pesos, boosted by an 18% improvement in sales prices, a 23% hike in volumes sold, and the incorporation of INEOS Fluor's results as of the second quarter of 2010, Policyd and Plasticos Rex in November 2010, and AlphaGary in January 2011.

Consolidated sales in the second quarter of 2011, reached $12.295 billion pesos, 38% higher than in the same period last year. This growth was mainly due to higher sales prices by 19%, a 17% hike in volumes sold, and the incorporation of the results of the businesses mentioned above.

Efficiency and productivity

Accrued EBITDA up to June totaled $5.579 billion pesos—43% higher than in 2010. This increase was due to a better sales performance, as well as the good figures and synergies resulting from the incorporation of the acquisitions in the business chains. With regard to the second quarter, the $2.984 billion pesos EBITDA was 41% higher year over year.

Sales margin for 2Q11 was 24%, whereas the accrued margin up to June 2011 totaled 23%. Both margins remained practically flat from those reported in the same periods of 2010.

Financial interest and F/X gains

In the first half of 2011, this line reported a cost of $174 million pesos—73% below the figure reported in the same period last year. This was mainly due to an F/X gain as a result of the currency revaluation—namely the Brazilian real, the Mexican peso, and the Colombian peso.

Income tax

Income tax up to the end of June 2011 totaled $1.439 billion pesos—142% higher than in 2010—due to excellent operating results and special fiscal effects generated in 2010.

Gross Generation (Net profit without non-cash-generating items)

Gross generation accrued up to June 2011 amounted to $3.512 billion pesos—22% higher than in the same period of 2010—due to better operating results.

Operating and Free Cash Flow

	Second Quarter			January- June		
Operating cash flow and Free cash flow	2011	2010	% Var.	2011	2010	% Var.
Operating income	2,262	1,605	41%	4,187	2,958	42%
+ Depreciation and amortization	722	511	41%	1,392	932	49%
EBITDA	2,984	2,116	41%	5,579	3,890	43%
- Investment in Capex	467	367	27%	805	732	10%
Free cash flow	2,516	1,748	44%	4,773	3,157	51%

In the first six months of 2011, the company's Free Cash Flow amounted to $4.773 billion pesos—51% higher than in 2010—due to better operating results. Maintenance CAPEX investment up to June 2011 was 10% higher than last year, due to the greater scope of the expansion and growth programs scheduled for this year.

Balance Sheet

Working Capital

Working capital up to the end of June 2011 totaled $7.637 billion pesos, which was 44% higher than at the end of 2010, mainly due to higher sales and an increase in raw material prices. Days Sales Outstanding (DSO) and Inventory Days Supply (IDS) increased slightly from the end of last year (they rose from 62 to 65 and from 66 to 72 days, respectively). With regard to Days Payable Outstanding (DPO), they amounted to 126—practically in line with yearend 2010.

Net Debt

With regard to net debt up to June 2011, it settled at US$1.094 billion in dollar terms, translating into an increase of 27% vs. yearend 2010, as a result of the use of cash at hand for the AlphaGary acquisition in January 2011.

The net debt to EBITDA ratio remains at 1.36x—below the internal goal of a 2.0x—and better than the figure reported in the first quarter of the year.

	Twelve months Pro forma	
	2011	2010
Net Debt US$ MM	1,094	864
Net Debt/EBITDA 12M	1.36x	1.34x
Interest coverage	7.5x	6.4x
Outstanding Shares	1,800,000,000	1,800,000,000

Operating results by Chain

Integrated Solutions Chain

	Second Quarter			January- June		
Integral Solutions Chain	2011	2010	% Var.	2011	2010	% Var.
Net sales	4,549	3,770	21%	8,826	7,485	18%
Operating Income	575	491	17%	1,031	1,000	3%
EBITDA	783	647	21%	1,465	1,324	11%
Volumes & Prices	Second Quarter				January- June	
Total Volume	23%				18%	
Average selling prices	-2%				0%	

Sales for the second quarter of 2011 amounted to $4.549 billion pesos—21% higher than in the same period of 2010—thanks to a greater critical mass (23%), and a slight decrease in average prices (-2%), as a result of the product mix in the quarter.

With regard to revenues accrued up to June 2011, they totaled $8.826 billion pesos—18% higher than in the same period of 2010. As for EBITDA, in this period of 2011, it totaled $1.465 billion pesos—11% more than in 2010.

Vinyl-Chlorine Chain

	Second Quarter			January- June		
Vinyl - Chlorine Chain	2011	2010	% Var.	2011	2010	% Var.
Net sales	6,253	4,501	39%	12,502	8,825	42%
Operating Income	734	552	33%	1,517	1,218	25%
EBITDA	1,011	729	39%	2,001	1,559	28%
Volumes & Prices	Second Quarter				January- June	
Total Volume	23%				20%	
Average selling prices	13%				18%	

Sales from April to June 2011 amounted to $6.253 billion pesos—39% higher than in the same period of 2010—thanks to a 23% increase in the critical mass (mainly in resin and PVC compounds), as well as a 13% improvement in sales prices, basically of caustic soda and compounds.

The Vinyl-Chlorine Chain reported total revenues of $12.502 billion pesos for the first half of 2011—42% higher than in the same period of 2010. EBITDA at the end of June 2011 amounted to $2.001 billion pesos—28% higher than in 2010—as a result of the greater sales volume and better prices, as well as the incorporation of AlphaGary, whose sales amounted to $1.607 billion pesos.

Fluorine Chain

	Second Quarter			January- June		
Fluorine Chain	2011	2010	% Var.	2011	2010	% Var.
Net sales	3,032	2,023	50%	5,938	2,775	114%
Operating Income	1,099	578	90%	1,922	873	120%
EBITDA	1,307	735	78%	2,337	1,077	117%
Volumes & Prices	Second Quarter				January- June	
Total Volume	24%				43%	
Average selling prices	21%				50%	

This Chain achieved an extraordinary performance in 2Q11, as sales amounted to $3.032 billion pesos—50% higher than in 2010—due to better volumes by 24%, and a remarkable 21% increase in sales prices, because of a rising trend in the coolants market.

On the first half of 2011, sales totalized $5,938 billion pesos—114% higher than in the first half of 2010. Operating profit amounted to $1.922 billion pesos—120% higher than in the first half of 2010. These significant hikes are the result of the sales improvement, greater self-consumption of fluorite, and the inclusion of INEOS Fluor's figures since April 2010, together with the successful synergies that this acquisition generated.

Other Relevant Events

Mexichem announced that it completed the acquisition of Showa Denko's fluorocarbon (coolant gases) plant in Kawasaki, Japan. This plant has an annual capacity of 10 thousand tons for the production of coolant gas in Asia, aside from China. This plant is currently being reconverted and will begin production in the fourth quarter of 2011.

This acquisition represents a significant step in Mexichem Fluor's strategy towards speeding up its growth and positioning in the coolant mix market, supported by its production capacity in the U.K.

On the other hand, Mexichem reported that, together with Pemex, they have filed a request before the Mexican antitrust agency (COFECO) to perform a co-investment, which will seek to bring viability and generate value for the VCM (vinyl chloride monomer) value chain in our country.

Finally, Mexichem decided to pay in advance the CEBUR (Mexican public bond) MEXCHEM09, for $ 2.500 billion pesos with maturity in 2014 through bridge loans obtained from different banks and which these will be paid with the issuance of a new CEBUR MEXCHEM11 for the same amount and maturity in 2016. The decision was taken, with the idea of having better financial conditions, basically in the interest rate and debt maturity profile.

Outlook

In this first half of the year, Mexichem has largely achieved the expectations established with regard to the positive effect of the integration of the recently acquired companies—Policyd and Plasticos Rex; the synergies in this year, resulting from these acquisitions, will bring greater growth to future results.

On the other hand, the integration of AlphaGary into Mexichem as of January has allowed us to expand our product portfolio in the last six months, and at the same time, take advantage of our geographic diversification to continue to strengthen the compound business in the Vinyl-Chlorine chain. The integration and growth projects that are part of our vertical integration strategy following our 20-20-20 vision will be consolidated throughout the year, thus enabling us to achieve our goals for 2011 and establish the grounds to achieve the goals set for 2015 in the growth plan we have defined.

The Fluorine Chain has great projects in its vertical integration strategy; thus, coolant and HF production will be increased in Asia, exploiting the competitive advantage it has with the fluorite mine and its geographical presence in that region, and thus, triggering new projects that generate greater growth and better positioning worldwide.

Despite the ongoing uncertainty in Europe and the United States, the growth of the various economies where we are present is still strong; the rising demand and prices prove it. The challenge is still great; however, we are certain that the strategies that we have implemented and the exploitation of our competitive advantages, as well as the passion that marks Mexichem, will help us to achieve our growth and profitability goals.

We will continue to create solutions and multiply possibilities both on the economic and social fronts, and of course, on the environmental side as well. 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

	In thousands of pesos		
	jun-11	dec-10	%
Total assets	**55,349,291**	**50,133,028**	**10%**
Cash and temporary investments	5,369,270	7,145,786	-25%
Receivables	9,475,342	6,766,478	40%
Inventories	6,121,004	4,466,417	37%
Others current assets	1,488,406	1,381,238	8%
Long term assets	32,895,269	30,373,109	8%
Total liabilities	**32,679,013**	**30,349,864**	**8%**
Current liabilities	17,531,216	11,700,001	50%
Long-term liabilities	15,147,797	18,649,863	-19%
Consolidated shareholders'equity	**22,670,278**	**19,783,164**	15%
Minority shareholders'equity	68,082	60,093	13%
Majority shareholders'equity	**22,602,196**	**19,723,071**	**15%**

Consolidated Income Statement

In thousands of pesos	January- June			Second Quarter		
	2011	2010	%	2011	2010	%
Net Sales	24,482,169	16,897,606	45%	12,295,272	8,902,185	38%
Cost of Sales	16,090,140	10,817,612	49%	7,844,484	5,718,095	37%
Gross Profit	**8,392,029**	**6,079,994**	**38%**	**4,450,788**	**3,184,090**	**40%**
Operating Expenses	4,204,968	3,122,323	35%	2,188,580	1,579,153	39%
Operating Income	**4,187,061**	**2,957,671**	**42%**	**2,262,208**	**1,604,937**	**41%**
Financial Cost	173,842	647,882	-73%	197,977	596,163	-67%
Other Expenses	-	(2,528)	-100%	-	(2,238)	-100%
Income from continuing operations before income tax	**4,013,219**	**2,312,317**	**74%**	**2,064,231**	**1,011,012**	**104%**
Income Tax	1,439,279	595,310	142%	734,838	199,170	269%
Income from continuing operations after income tax	**2,573,940**	**1,717,007**	**50%**	**1,329,393**	**811,842**	**64%**
Discontinued operations	(3,044)	(3,959)	-23%	(3,044)	(7,663)	-60%
Consolidated net income	**2,570,896**	**1,713,048**	**50%**	**1,326,349**	**804,179**	**65%**
EBITDA	**5,578,639**	**3,889,595**	**43%**	**2,983,860**	**2,115,677**	**41%**