



Information on the stock

Mexican Stock Exchange

Ticker: MEXCHEM*

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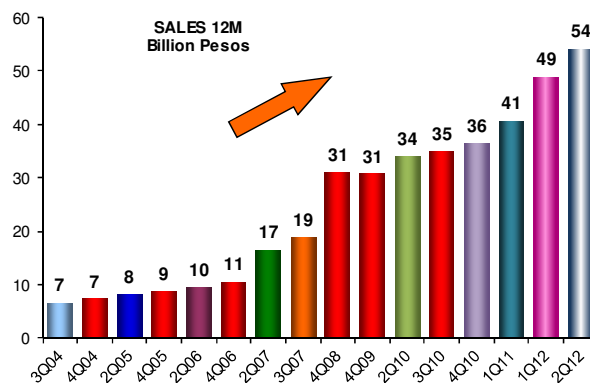
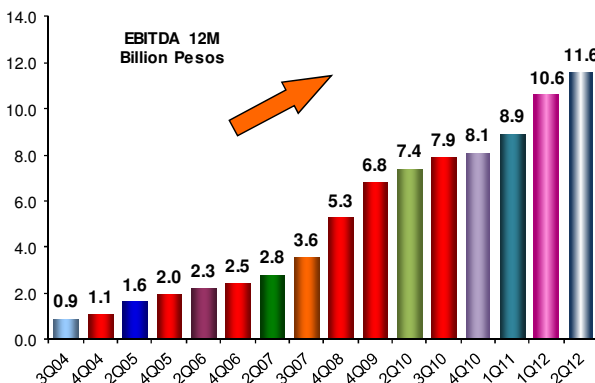
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Consolidated Results

Consolidated Million Pesos	Second Quarter			January- June		
	2012	2011	% Var.	2012	2011	% Var.
Net Sales	17,634	12,295	43%	31,149	24,482	27%
Gross Profit	5,859	4,451	32%	10,301	8,392	23%
Net Income	1,553	1,326	17%	3,367	2,571	31%
Operating cash flow (EBITDA)	3,953	2,984	32%	6,891	5,579	24%
Free cash flow	1,078	610	77%	1,366	421	224%

We continue to see significant growth in the historical performance (in 12-month periods) for revenues and EBITDA in Mexichem's consolidated results, due to the acquisition of new companies and their corresponding synergies, the most recent being Wavin.



- Acquisition Química Fluór
- Acquisition Primex
- Acquisition Bayshore
- Acquisition Amanco
- Acquisition Petco

- Acquisition Ineos Fluor
- Acquisition Policyd and Plásticos Rex
- Acquisition Alphagary
- Acquisition Fluorita de México
- Acquisition Wavin

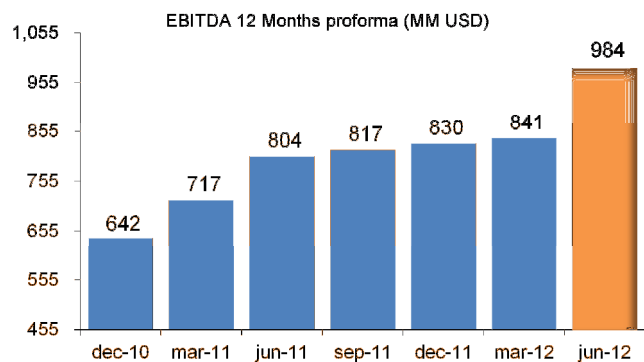
On growth

2012 consolidated sales rose 27% vs. the previous year, to \$31.149 billion pesos, boosted by an 18% improvement in sales prices, and a 9% hike in volumes sold, as a result of the organic growth of the current businesses, and the incorporation of the results of the acquisition of Fluorita de Mexico in the first quarter and Wavin in this quarter.

Consolidated sales for 2Q12 rose 43% vs. the same period of last year, to \$17.634 billion pesos, boosted mainly by a 20% improvement in sales prices and a 23% hike in volumes sold, due to the incorporation of Wavin in the results.

Efficiency and productivity

Accrued EBITDA for the year totaled \$6.891 billion pesos—24% higher than in 2011. This increase was due to a better sales price and a reduction in energy costs, thanks to the competitive prices of gas in North America, investments in machinery and equipment at Mexichem’s various plants to manufacture differentiated products, and the incorporation of Fluorita de Mexico and Wavin.



Accrued EBITDA/sales margin up to June amounted to 22%—similar to the one for the same period of 2011.

As for the second quarter, the \$3.953 billion pesos in EBITDA were 32% higher than in the same period of last year, and for the second consecutive quarter, Mexichem achieved the highest EBITDA in its history, with a 22% margin.

Financial interest and F/X gains

In the first half of 2012, this line reported a sum of \$284 million pesos—\$110 million pesos higher than the figure reported in the same period of 2011. This was due to a higher net financial expense/(income) of \$118 million pesos, which was partially compensated by higher F/X and currency gains (\$5 and \$3 million pesos, respectively).

Income tax

Income tax up to the end of June totaled \$1.387 billion pesos—4% lower than in 2011—mainly because of the deductibility of higher financial expenditures.

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

Accrued gross generation in 2012 totaled \$5.166 billion pesos, showing a 47% hike year over year, basically due to better operating results.

Operating and Free Cash Flow

Periods	Second Quarter			January- June		
	2012	2011	% Var.	2012	2011	% Var.
EBITDA	3,953	2,984	32%	6,891	5,579	24%
Free Cash Flow	1,078	610	77%	1,366	421	224%

The company's FCF up to June 2012 totaled \$1.366 billion pesos—\$945 million pesos more YOY—mainly because of better operating results. Maintenance CAPEX investments rose by \$993 million pesos in 2012 (123% more YOY), due to this year's growth plans.

Balance Sheet

Working Capital

Working capital up to June 2012 totaled \$11.950 billion pesos—62% above the 2011 yearend figure—mainly because of an increase in clients, inventories, and suppliers as a result of the recent acquisitions.

Net Debt

Net debt by the end of June in dollar terms settled at US\$1.972 billion—112% more than at yearend 2011. This was essentially the result of the USD\$226 million payment to INBURSA, net of stock certificates for \$5.0 billion pesos, and the payment for the acquisition of Fluorita de Mexico, S.A. de C.V.; in addition, revolving debt was acquired to pay for Wavin, whose own debt, totaling US\$476 million, was also absorbed. It is worth noting that the restructuring of Wavin's credit line has been completed, with similar conditions to Mexichem's, and with only Mexichem's guarantee, which will result in an annual benefit of €3.2 million through the reduction of rates, amounts, and additional charges.

The net debt to EBITDA ratio at the end of the quarter was 2.0x, practically at the limit of the company's internal goal of 2.0x; however, given the estimated cash flow from the new acquisitions, this financial ratio is expected to decrease in the short term.

	Twelve months Pro forma	
	2012	2011
Net Debt US\$ MM	1,972	929
Net Debt/EBITDA 12M	2.00x	1.12x
Interest coverage	7.1x	7.4x
Outstanding Shares	1,840,000,000	1,800,000,000

Operating Results by Chain

Integral Solutions Chain

Integral Solutions Chain	Second Quarter			January- June		
	2012	2011	% Var.	2012	2011	% Var.
Net sales	9,148	4,549	101%	14,138	8,826	60%
Operating Income	996	575	73%	1,662	1,031	61%
EBITDA	1,392	783	78%	2,300	1,465	57%
Volumes & Prices	Second Quarter			January- June		
Total Volume	82%			44%		
Average selling prices	19%			16%		

With regard to accrued sales for 2012, they totaled \$14.138 billion pesos—60% more than in the same period of 2011. As for EBITDA, it reached \$2.30 billion pesos—57% higher than in 2011 as a result of higher revenues.

Sales for the second quarter of 2012 amounted to \$9.148 billion pesos—101% higher than in the same period of 2011—mainly thanks to higher volumes (82%) and better prices (19%), largely because of the incorporation of Wavin. As for EBITDA, it rose 78% as a result of higher revenues.

It is important to note that synergies with Wavin, such as the consumption of resin, transfer of technology, debt restructuring with similar conditions to Mexichem's, and operating efficiencies, have begun.

Vinyl-Chlorine Chain

Vinyl - Chlorine Chain	Second Quarter			January- June		
	2012	2011	% Var.	2012	2011	% Var.
Net sales	6,757	6,253	8%	13,417	12,502	7%
Operating Income	1,019	734	39%	1,900	1,517	25%
EBITDA	1,245	1,011	23%	2,354	2,001	18%
Volumes & Prices	Second Quarter			January- June		
Total Volume	-5%			-2%		
Average selling prices	13%			10%		

The Vinyl-Chlorine chain reported a total of \$13.417 billion pesos in revenues for 2012—7% more YOY—due to better sales prices. Accrued EBITDA amounted to \$2.354 billion pesos—18%

more YOY—as a result of better prices and lower costs, resulting from the consolidation of the synergies generated by the Policyd and Alphagary acquisitions.

Sales from April to June 2012 totaled \$6.757 billion pesos—8% higher than in the same period of 2011—thanks to a 13% improvement in sales prices of caustic soda and compounds, which countered a 5% decrease in the critical mass. On the other hand, EBITDA rose 23% due to the higher revenues and the consolidation of the synergies from the Policyd and Alphagary acquisitions.

Fluorine Chain

Fluorine Chain	Second Quarter			January- June		
	2012	2011	% Var.	2012	2011	% Var.
Net sales	3,284	3,032	8%	6,456	5,938	9%
Operating Income	1,023	1,099	-7%	2,031	1,922	6%
EBITDA	1,360	1,307	4%	2,595	2,337	11%
Volumes & Prices	Second Quarter			January- June		
Total Volume	19%			6%		
Average selling prices	-11%			3%		

As for the Fluorine chain's accrued 2012 results, revenues amounted to \$6.456 billion pesos—9% more YOY—as a result of a 3% increase in sales prices, and a 6% rise in sales volumes. This chain's EBITDA amounted to \$2.595 billion pesos in the quarter—11% above 2011—due to higher revenues and lower costs and operating expenses.

This chain achieved sales of \$3.284 billion pesos in the second quarter—8% higher than in 2011—as a result of a 19% advance in volumes, which counter an 11% decrease in prices, essentially because of a drop in coolant prices. It is worth noting that this decrease has partially been compensated by advances in the prices of fluorine, hydrofluoric acid, and aluminum fluoride.

Other Relevant Events

During the second quarter of 2012, the acquisition of Dutch company Wavin was successfully completed. Through this acquisition, Mexichem becomes the global leader in plastic pipe systems and solutions, with combined annual sales of over \$6 billion dollars.

Both companies will benefit from the strong complementarity in terms of geographic reach, product portfolio, R&D, and business lines, thus being jointly better prepared for future growth, via the consolidation and expansion to new markets.

In addition, an extraordinary dividend was paid in the quarter either in cash and/or in kind, equivalent to \$1 peso per share and/or 40,000,000 shares, among which options each shareholder was allowed to choose. As a result of this process, 11,970,229 shares were handed out in kind, and

the remainder was offered to the shareholders at the same price as the dividend (\$45 pesos per share) through a preemptive right to 64,644,489,211; if there were any remaining shares, they could be subscribed prorata, based on the shares held by those wishing to subscribe additional ones. In the process, the equivalent to 22,441,538 shares was exercised through the preemptive right, with a remnant of 5,588,233 shares to be subscribed in the second round. Overdemand amounted to 14.3 times.

As part of Mexichem's global growth and consolidation strategy, as well as due to the importance of guaranteeing the supply of raw materials, the company decided that Rafael Dávalos should take charge of this important task, given his experience and broad knowledge of the industry. His main responsibility will be the vertical integration of the Vinyl-Chlorine chain from the manufacturing of ethylene to VCM, via the projects defined before. Thereby, Antonio Carrillo was appointed General Director of Mexichem, given his broad experience in the industrial, energy, transportation, and construction sectors, as well as in the management of markets in Mexico, Brazil, and the US.

In July, the negotiation of the credit that Wavin holds from several European banks was successfully completed. The financing has been agreed at €320 million. All the previous guarantees and restrictions have been eliminated; the credit matures in April 2015. The above will result in an annual benefit of €3.2 million through the reduction of the previous rates, sum, and additional charges.

This negotiation increases Wavin's financial flexibility, thus enabling it to improve its balance sheet and providing it with the necessary support to fulfill its consolidation and growth plans and programs to achieve the established goals.

Outlook

In the second quarter, the sales of Mexichem's products showed significant increases, some of which were seen in terms of sales volumes, and others, in prices. Despite the uncertainty prevailing worldwide, this trend is expected to continue throughout the third quarter.

Mexichem's plants continue to operate at high utilization rates; moreover, there is still a good growth potential in various Latin American countries. Through the acquisition of Wavin, and taking advantage of the new range of products it has in its portfolio, the company will now be able to benefit from the potential growth of the Latin American countries where Mexichem participates, thus favoring the company's results.

The synergies achieved through the Wavin acquisition are already being reflected in the results of the second quarter. They come mainly from the supply of PVC resin and the purchase of other raw materials. For the remainder of the year, the goal is to achieve \$25 million dollars in synergies, and for 2013, an additional \$50 million dollars.

In the Vinyl-Chlorine chain, we continue with the Pemex co-investment project and are waiting for Pemex's Management Board to sign, in order to begin the integration of this company into Mexichem. Through this project, we will achieve the supply of 400 thousand tons of VCM, and we are working with the current suppliers to guarantee the supply of this raw material, modifying the conditions of the existing contract into a better scheme for Mexichem, which will in turn make it possible to sustain the supply-demand balance of this raw material, and prevent price distortions that would otherwise make the Greenfield project unviable. For the third quarter, expectations are that the prices of this chain's products will stabilize, which will depend largely on the performance of the global economy, and particularly, on the recovery of the US resin consumption.

As for the Fluorine chain, the prices of nearly all the products showed significant increases, barring fluorocarbons, which showed a downward trend ensuing from the pressure of the Chinese product on the market. Expectations for the third quarter are that the prices of the products of this chain will stabilize, but that pressure will remain on the prices of fluorocarbons.

The Integral Solutions chain continues to show volume increases, and prices are being pressured by the decrease in resin. Expectations for the third quarter are that the price of resin, and therefore, of PVC pipes, will stabilize. In the European market, we continue to see pressures on both volumes and prices. Expectations for the third quarter are that there will be a higher demand resulting from the seasonality of the pipe market and that, should macroeconomic conditions improve, it could be reflected in better results for this chain; however, dependence on the macroeconomic issue is still high.

As we have already mentioned, dependence on the global economy has a high correlation with the final result of the business; however, given Mexichem's current geographic positioning, in economies with great growth potential, as well as the strategies the company has implemented, based on competitive advantages and with the passion that is Mexichem's hallmark, the established goals shall be achieved.

We continue to create solutions and multiply possibilities at all the levels of what we have come to call the triple result (economic, social, and environmental). We go ever farther to be closer to our markets and our clients. 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		
	jun-12	dec-11	%
Total assets	84,859,977	60,456,761	40%
Cash and temporary investments	6,827,781	7,675,504	-11%
Receivables	15,471,328	8,990,694	72%
Inventories	10,094,635	6,657,677	52%
Others current assets	1,676,713	1,831,948	-8%
Long term assets	50,789,520	35,300,938	44%
Total liabilities	58,267,924	36,391,621	60%
Current liabilities	19,884,066	15,885,338	25%
Long-term liabilities	38,383,858	20,506,283	87%
Consolidated shareholders' equity	26,592,053	24,065,140	11%
Minority shareholders' equity	237,972	71,980	231%
Majority shareholders' equity	26,354,081	23,993,160	10%

Consolidated Income Statement

Pesos in thousands	January- June			Second Quarter		
	2012	2011	%	2012	2011	%
Net Sales	31,149,090	24,482,169	27%	17,634,003	12,295,272	43%
Cost of Sales	20,848,330	16,090,140	30%	11,775,194	7,844,484	50%
Gross Profit	10,300,760	8,392,029	23%	5,858,809	4,450,788	32%
Operating Expenses	5,270,893	4,204,968	25%	2,945,030	2,188,580	35%
Operating Income	5,029,867	4,187,061	20%	2,913,779	2,262,208	29%
Financial Cost	283,620	173,842	63%	818,672	197,977	314%
Income from continuing operations before income tax	4,754,076	4,013,219	18%	2,102,936	2,064,231	2%
Income Tax	1,386,998	1,439,279	-4%	550,203	734,838	-25%
Consolidated net income	3,367,078	2,570,896	31%	1,552,733	1,326,349	17%
EBITDA	6,890,680	5,578,639	24%	3,953,162	2,983,860	32%