Mexichem.

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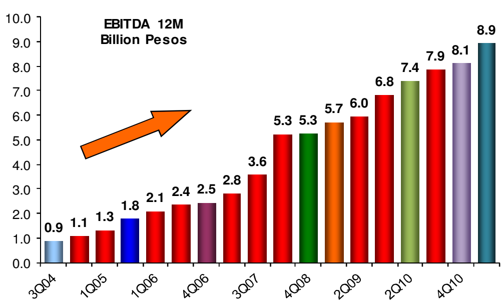
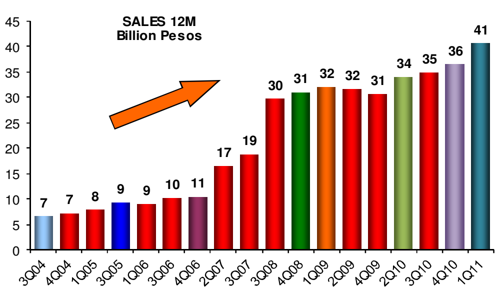
## Consolidated Results

| | First Quarter | | |
|---|---|---|---|
| Consolidated Million Pesos | 2011 | 2010 | % Var. |
| Net Sales | 12,187 | 7,995 | 52% |
| Gross Profit | 3,941 | 2,896 | 36% |
| Net Income | 1,245 | 909 | 37% |
| Operating cash flow (EBITDA) | 2,595 | 1,774 | 46% |
| Free cash flow | 2,257 | 1,409 | 60% |

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




Acquisition Química Flúor
Acquisition Primex
Acquisition Bayshore
Acquisition Amanco
Acquisition Petco
Acquisition Ineos
Acquisition Policyd and Plasticos Rex
Acquisition AlphaGary

## On growth

Consolidated sales reached $12.187 billion pesos, 52% higher than in the same period last year. This growth was mainly due to higher sales prices by 17%, a 30% hike in volumes sold and, to a greater extent, to the incorporation of the results of the acquisition of INEOS Fluor as of the second quarter of 2010, Policyd and Rex in November 2010, and AlphaGary in January 2011.

## Efficiency and productivity

EBITDA totaled $2.595 billion pesos—46% higher than in 2010. This increase was due to a better sales performance, as well as the figures and synergies resulting from the incorporation of the acquisitions in the business chains.

The 21% sales margin for this quarter of 2011 is in line with the figure for 2010.

## Financial interest and F/X gains

In the first quarter of 2011, this item totaled $24.1 million pesos in revenues, contrary to the $51.7 million reported in 1Q10. 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 for the first quarter of 2011 totaled $704 million pesos—77.8% higher than in 2010, due to a higher operating and financial profit.

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

Gross generation for 1Q11 amounted to $1.522 billion pesos—16% higher than in the same period of 2010—due to better operating results.

| | First Quarter | | |
|---|---|---|---|
| Operating cash flow and Free cash flow | 2011 | 2010 | % Var. |
| Operating income | 1,925 | 1,353 | 42% |
| + Depreciation and amortization | 670 | 421 | 59% |
| EBITDA | 2,595 | 1,774 | 46% |
| - Investment in Capex | 338 | 365 | -7% |
| Free cash flow | 2,257 | 1,409 | 60% |

## Operating and Free Cash Flow

Free cash flow for 1Q11 amounted to $2.257 billion pesos—60% higher than in 2010—due to better operating results. Maintenance CAPEX investment in 2011 is 7% lower than last year; however, a higher expenditure is expected in the coming months, due to the expansion and growth programs scheduled for this year.

## Balance Sheet

### Working Capital

Working capital in 1Q11 in pesos terms amounted to $6.59 billion pesos, which is 34% higher than at the end of December 2010, mainly due to higher sales, inventories and the new acquisition of AlphaGary. Nonetheless, days sales outstanding in portfolio and of inventory days supply are lower than last year (decreasing from 62 to 59 and from 73 to 53 days, respectively). Mexichem's internal policies establish 62 days sales outstanding in portfolio, 73 days of inventories, and 100 days in suppliers.

### Plant and Equipment

The balance in this item up to March 2011 is $21.164 billion pesos, which is similar to the figure reported at the end of 2010.

### Net Debt

With regard to net debt up to March 2011, it settled at US$1.167 billion in dollar terms, translating into an increase of 35% versus the end of 2010, as a result of the AlphaGary acquisition in January 2011.

The net debt to EBITDA ratio is 1.63x, below the internal goal of a 2.0x limit.

| | Twelve months Pro forma | |
|---|---|---|
| | 2011 | 2010 |
| Net Debt US$ MM | 1,167 | 864 |
| Net Debt/EBITDA 12M | 1.63x | 1.34x |
| Interest coverage | 6.8x | 6.4x |
| Outstanding Shares | 1,800,000,000 | 1,800,000,000 |

## Operating results by Chain

### Integrated Solutions Chain

| Integrated Solutions Chain | First Quarter 2011 | First Quarter 2010 | % Var. |
|---|---|---|---|
| Net sales | 4,276 | 3,714 | 15% |
| Operating Income | 456 | 509 | -10% |
| EBITDA | 682 | 678 | 1% |
| **Volumes & Prices** | **First Quarter** | | |
| Total Volume | 14% | | |
| Average selling prices | 7% | | |

Sales for the first quarter of 2011 amounted to $4.276 billion pesos—15% higher than in the same period of 2010—thanks to the combined effect of a greater critical mass (14%), and a larger price hike (7%). With regard to operating income, in this period of 2011, it totaled $456 million pesos—10% less than in 2010—mainly because of the depreciation on the results of the revaluated assets due to the adoption of IFRS in 2010.

### Vinyl-chlorine chain

| Vinyl - chlorine Chain | First Quarter 2011 | First Quarter 2010 | % Var. |
|---|---|---|---|
| Net sales | 6,249 | 4,324 | 45% |
| Operating Income | 782 | 665 | 18% |
| EBITDA | 990 | 830 | 19% |
| **Volumes & Prices** | **First Quarter** | | |
| Total Volume | 20% | | |
| Average selling prices | 20% | | |

The Vinyl-Chlorine chain's total sales for the first quarter of 2011 amounted to $6.249 billion pesos—45% higher than in the same period of 2010—thanks to a 20% increase in the critical mass (mainly in resin and compounds PVC), as well as a 20% improvement in sales prices, especially of caustic soda, compounds, and resin. Operating income for 1Q11 is $782 million pesos—18% 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 $776 million pesos.

Regarding to PEMEX, our client and supplier, up to March 2011, it showed a better performance consuming 33.2 thousand tons of Chlorine—3% higher than in the same period of 2010.

## Fluorine Chain

| Fluorine Chain | First Quarter 2011 | First Quarter 2010 | % Var. |
|---|---|---|---|
| Net sales | 2,907 | 752 | 287% |
| Operating Income | 823 | 295 | 179% |
| EBITDA | 1,030 | 342 | 201% |
| **Volumes & Prices** | **First Quarter** | | |
| Total Volume | 65% | | |
| Average selling prices | 149% | | |

This Chain had an extraordinary performance in 1Q11, as sales amounted to $2.907 billion pesos—287% better than in 2010—as a result of better volumes by 65%, and higher sales prices by 149%, due to a rising trend in the coolants market. Operating income amounted to $823 million pesos—179% higher than in the first quarter of 2010. These significant hikes are the result of the sales improvement, greater self-consumption of fluorite, and the inclusion of INEOS Fluor since April 2010, together with the synergies that this acquisition generated.

## Other Relevant Events

Since January 2011, we are including the operations of AlphaGary, a US maker of Compounds. To Mexichem, this purchase has signified a greater presence in the US market, in addition to be able to use the technology that AlphaGary has developed in our plants in Mexico and Colombia.

## Outlook

During this quarter, Mexichem has largely achieved the expectations established with regard to the positive effects 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 quarterly results.

On the other hand, the integration of AlphaGary into Mexichem as of January has allowed us to expand our product portfolio this quarter, 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, 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 production will be increased, exploiting the competitive advantage it has with the fluorite mine and its geographical presence, triggering new projects that generate a greater growth and better positioning worldwide.

The growth of the economies in the various countries where we are present is still strong; the growing demand and prices prove it. The challenge is still great; however, we have established plans and goals to achieve it and, with the passion that marks Mexichem, we are certain we will succeed.

The focus on the triple result continues to prove that it is the right model, and the commitment of all of us at Mexichem continues to create solutions and multiply possibilities both on the economic and the social aspects, and the environmental issue as well. Now, more than ever, we will continue to keep our commitments with our clients, investors, personnel, community, and environment, and will thus continue to contribute towards progress and the improvement of people's quality of life.

## General Consolidated Balance Sheet

| | In thousands of pesos | | |
|---|---|---|---|
| | **mar-11** | **dec-10** | **%** |
| **Total assets** | **52,501,451** | **50,133,028** | 5% |
| Cash and temporary investments | 4,091,080 | 7,145,786 | -43% |
| Receivables | 9,131,590 | 6,766,478 | 35% |
| Inventories | 4,700,741 | 4,466,417 | 5% |
| Others current assets | 1,609,849 | 1,381,238 | 17% |
| Long term assets | 32,968,191 | 30,373,109 | 9% |
| **Total liabilities** | **31,455,796** | **30,349,864** | 4% |
| Current liabilities | 16,536,398 | 11,700,001 | 41% |
| Long-term liabilities | 14,919,398 | 18,649,863 | -20% |
| **Consolidated shareholders'equity** | **21,045,655** | **19,783,164** | 6% |
| Minority shareholders'equity | 63,137 | 60,093 | 5% |
| Majority shareholders'equity | 20,982,518 | 19,723,071 | 6% |

## Consolidated Income Statement

| In thousands of pesos | January- March | | |
|---|---|---|---|
| | 2011 | 2010 | % |
| Net Sales | 12,186,897 | 7,995,421 | 52% |
| Cost of Sales | 8,245,656 | 5,099,517 | 62% |
| Gross Profit | 3,941,241 | 2,895,904 | 36% |
| Operating Expenses | 2,016,388 | 1,543,189 | 31% |
| Operating Income | 1,924,853 | 1,352,715 | 42% |
| Financial Cost | (24,135) | 51,719 | -147% |
| Other Expenses | - | (290) | -100% |
| Income from continuing operations before income tax | 1,948,988 | 1,301,286 | 50% |
| Income Tax | 704,441 | 396,140 | 78% |
| Income from continuing operations after income tax | 1,244,547 | 905,146 | 37% |
| Discontinued operations | - | 3,704 | NA |
| Consolidated net income | 1,244,547 | 908,850 | 37% |
| EBITDA | 2,594,779 | 1,773,899 | 46% |