Information on the stock   Mexican Stock Exchange Ticker: MEXCHEM*

MEXCHEM

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Consolidated Results

	Fourth Quarter			January- December		
Consolidated Million Pesos	2010	2009	% Var.	2010	2009	% Var.
Net Sales	9,499	8,052	18.0%	36,477	30,647	19.0%
Gross Profit	2,939	2,677	9.8%	12,374	10,787	14.7%
Net Income	724	717	1.0%	3,694	2,952	25.1%
Operating cash flow (EBITDA)	1,774	1,339	32.5%	8,124	6,175	31.6%
Free cash flow	1,322	1,022	29.4%	6,564	4,500	45.9%

On growth

Mexichem reported positive figures at the end of 2010. Consolidated sales rose 19% vs. the same period of 2009, to $36.5 billion pesos, boosted by an 11.1% improvement in sales prices, a 7.1% hike in volumes sold, and the incorporation of the results of the acquisitions: INEOS Fluor as of the second quarter of the year, and Policyd and Rex as of November 2010.

With regard to Fourth quarter results, sales amounted to $9.5 billion pesos—18% higher than for the same period of 2009.

It is important to note that 2010 and 2009 figures are already being reported under the new IFRS, which include changes in how the information is presented, namely: i) the change to absorption costing, and ii) the inclusion of other expenses/income and EPS under operating results; thus, the reported figures are comparable.

Efficiency and productivity

Accrued EBITDA totaled $8.124 billion pesos—31.6% higher than in 2009. This increase was due to a better sales performance, as well as the figures and synergies resulting from the incorporation of the acquisitions into the business chains.

EBITDA for the Fourth Quarter amounts to $1.774 billion— 32.5% better than in 2009, the margin to sales in the fourth quarter 2010 reported 18.7% better than the 16.6% reported in 2009; however, versus the average of 2010 this margin is lower. The reason of the previous was a series of "one-time events" i) Santa Clara facility's divestment (margin 30%) ii) the inclusion of two months of Policyd and Plásticos Rex results (margin lower than 6%), iii) shutdown of Cartagena's facility due to floods in Colombia (60 days) and iv) payment in advance of the natural gas hedge.

Net financial cost

At the end of 2010, net financial cost totaled $827.6 million pesos—$128 million pesos higher than in the same period of 2009—mainly due to a greater interest expense by $392 million, compensated by an F/X gain of $250 million pesos.

Income tax

Income tax for 2010 totaled $983 million pesos— 24.6% higher than in 2009, due to better results.

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

Gross generation for 2010 amounted to $5.8 billion pesos—30% higher than in 2009—due to better operating results.

Operating and Free Cash Flow

	Fourth Quarter			January- December		
Operating cash flow and Free cash flow	2010	2009	% Var.	2010	2009	% Var.
Operating profit	853	766	11%	5,651	4,401	28%
+ Depreciation and amortization	921	572	61%	2,472	1,774	39%
EBITDA	1,774	1,339	33%	8,124	6,175	32%
-Investment in fixed assets	452	317	43%	1,560	1,675	-7%
Free cash flow	1,322	1,022	29%	6,564	4,500	46%

Free cash flow for 2010 amounted to $6.5 billion pesos—46% higher than in 2009—due to better operating results. Maintenance CAPEX investment in 2010 of $1.6 billion pesos is in line with the program, equivalent to US$130 million in addition to the US$595 million invested in acquisitions.

Balance Sheet

Working Capital

Working capital at the end of December 2010 in dollar terms amounted to US$405 million, showing a US$59.9 million increase vs. yearend 2009, due to higher sales but in line with our internal policy of 62 days in portfolio, 73 days in inventory, and 100 days in suppliers.

Plant and Equipment

The balance in this item up to December 2010 is $20.4 billion pesos, $2.1 billion pesos more (net of depreciation) than at the end of 2009, as a result of the incorporation of the acquisitions (Ineos, Policyd, and Rex), as well as of investments in machinery and equipment at all our plants for environmental protection, expanding capacity, efficiency, and modernization.

Net Debt

With regard to net debt at the end of 2010, it settled at US$924.8 million in dollar terms, translating into an increase of US$455 million vs. the 2009 yearend figure, as a result of the acquisitions made throughout the year (Ineos, Policyd, and Rex). The net debt to EBITDA ratio settled 1.44x, below the 2.0x limit established as our internal goal; it is important to note that only 12% of the debt is short term.

	Twelve months	
	2010	2009
Net Debt US$ MM	924.8	469.8
Net Debt/EBITDA	1.44x	1.02x
Interest coverage	6.5x	7.2x
Outstanding Shares	1,800,000,000	1,800,000,000

Operating results by Chain

Integrated Solutions Chain

	Fourth Quarter			January- December		
Integrated Solutions Chain	2010	2009	% Var.	2010	2009	% Var.
Net sales	4,335	3,881	11.7%	16,295	14,947	9.0%
Operating cash flow (EBITDA)	582	211	176.1%	2,817	2,172	29.7%
Volumes & Prices	Fourth Quarter				January- December	
Total Volume	23.8%				12.5%	
Average selling prices	-9.8%				-3.1%	

Sales of 2010 amount to $16.29 billion pesos—9.0% higher than in the same period of 2009, thanks to a 12.5% increase in the critical mass, thus managing to compensate for a 3.5% drop in prices. With regard to EBITDA for 2010, it reached US$2.817 billion—29.7% better than in 2009—as a result of better sales and the incorporation of the figures and synergies achieved with Plasticos Rex.

Vinyl-chlorine chain

Vinyl - chlorine Chain	Fourth Quarter 2010	Fourth Quarter 2009	%Var.	January- December 2010	January- December 2009	% Var.
Net sales	3,941	4,076	-3.3%	16,812	15,591	7.8%
Operating cash flow (EBITDA)	473	898	-47.3%	2,801	3,315	-15.5%

Volumes & Prices	Fourth Quarter	January- December
Total Volume	-1.4%	4.4%
Average selling prices	-2.0%	3.3%

The Vinyl-Chlorine chain's sales at the end of December 2010 amount to $16.8 billion pesos—7.8% higher than in the same period of 2009—thanks to a 4.4% increase in the critical mass (mainly in PVC and compounds), as well as a 3.3% improvement in sale prices, especially of PVC. The EBITDA achieved in 2010 totaled $2.8 billion pesos—15.5% less than in 2009; this was due to i) the effect on the price of caustic soda and phosphates, and ii) the 8% increase in electric energy and iii) extraordinary events ("Just one time" above mentioned.

Productos	Volumen		%	Precios Promedio		%	Ventas Netas		%	EBITDA		%
	2009	2010	%	2009	2010	%	2009	2010	%	2009	2010	%
Derivados	826.1	850.1	3%	5,014.9	4,289.4	-14%	4,142.7	3,646.4	-12%	1,722.4	1,060.4	-38%
Vinilo	762.5	786.9	3%	11,613.5	12,523.9	8%	8,855.7	9,854.6	11%	1,261.1	1,298.2	3%
Compuestos	123.8	150.4	21%	20,941.8	22,012.9	5%	2,592.3	3,310.7	28%	331.9	442.4	33%
Total	1,712.4	1,787.3	4%	37,570.1	38,826.2	3%	15,590.7	16,811.7	8%	3,315.5	2,801.0	-16%

As for PEMEX, our client and supplier, up to december 2010, its performance was mild, totaling 108 thousand tons of chlorine consumed—15% better than in 2009.

Fluorine Chain

Cadena Flúor	Cuarto Trimestre 2010	Cuarto Trimestre 2009	%Var.	Enero - Diciembre 2010	Enero - Diciembre 2009	% Var.
Ventas	2,040	799	155.4%	6,891	2,531	172.2%
Flujo de Operación (EBITDA)	869	544	59.7%	2,719	1,291	110.7%

Volúmenes y precios	Cuarto Trimestre	Enero - Diciembre
Volumen Total	-14.4%	16.9%
Precio promedio en pesos	198.3%	132.9%

This Chain had an extraordinary performance in 2010, as sales amounted to $6.9 billion pesos—172.2% better than in 2009—as a result of better volumes by 16.9% and higher sale prices by 132.9%. EBITDA amounted to $2.719 billion pesos—110.7% higher than in 2009. 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 synergies that this acquisition generated.

Other Relevant Events

Following a period of negotiations and review by the corresponding authorities, Mexichem's acquisition of Policyd and Plasticos Rex was approved. Through these acquisitions, Mexichem will consolidate the Mexican resin and PVC pipe market. Likewise, in December 2010, the negotiations for the acquisition of AlphaGary, a Compounds manufacturer in the US, were completed. This purchase will provide Mexichem with a better presence in the US market, as well as taking advantage of the technology that AlphaGary has developed, in our plants in Mexico and Colombia.

Outlook

During this quarter, we began to see the effects of the integration of the recently acquired companies (Policyd and Plasticos Rex), but still without all the synergies that these acquisitions will generate. Although EBITDA growth during the quarter was significant (above sales) compared to 2009, the synergies that are yet to come throughout this year will bring higher growth to the upcoming quarterly results. The recovery of demand and prices in practically all the production chains will also have a positive effect on results.

The integration of AlphaGary into Mexichem will enable us to expand our product portfolio, while at the same time taking advantage of our geographic diversity to strengthen the compounds business within the vinyl-chlorine chain; the integration and growth projects that are part of our vertical integration strategy under the 20-20-20 vision will be consolidated throughout the year, thus enabling us to achieve our goals for 2011 and set the ground to achieve the goals established for 2015 under the growth plan that we have defined.

We have set a goal for 2011 of a total of US$3.3 billion in sales and at least $780 million in EBITDA; this is our guidance for this year's results, representing sales growth of 15-21% in EBITDA, and once again showing how the synergies result in even greater EBITDA growth. These figures are already considering the acquisitions that have already been incorporated into Mexichem, as well as the company's organic growth.

The challenges are great, but the wish to achieve them and the talent involved are even greater. We are convinced that the goals we have set will be surpassed, and that we at Mexichem will continue to grow and consolidate our industry, fully meeting our commitments to our clients, investors, personnel, community, and environment. We will continue to develop solutions; to multiply possibilities, and thus contribute to progress and to improve people's quality of life.

General Consolidated Balance Sheet

In thousands of pesos	To December 31:		
	2010	2009	%
Total assets	**49,956,857**	**44,009,258**	14%
Cash and temporary investments	6,604,692	10,364,684	-36%
Receivables	6,770,925	5,900,112	15%
Inventories	4,484,498	3,073,296	46%
Others current assets	1,950,392	412,812	372%
Long term assets	30,146,350	24,258,354	24%
Total liabilities	**30,302,413**	**27,524,548**	10%
Current liabilities	11,647,040	10,406,840	12%
Long-term liabilities	18,655,373	17,117,708	9%
Consolidated shareholders'equity	**19,654,444**	**16,484,710**	19%
Minority shareholders'equity	42,619	49,510	-14%
Majority shareholders'equity	19,611,825	16,435,200	19%

Consolidated Income Statement

In thousands of pesos

	January- December			Fourth Quarter		
	2010	2009	%	2010	2009	%
Net Sales	36,476,783	30,647,043	19.0%	9,499,117	8,051,879	18.0%
Cost of Sales	24,102,725	19,860,045	21.4%	6,559,926	5,375,243	22.0%
Gross Profit	12,374,058	10,786,998	14.7%	2,939,191	2,676,636	9.8%
Operating Expenses	6,722,726	6,385,640	5.3%	2,086,521	1,910,470	9.2%
Operating Income	5,651,332	4,401,358	28.4%	852,670	766,166	11.3%
Financial Cost	827,630	699,206	18.4%	338,702	76,596	342.2%
Other Expenses	-	(12,230)	-100.0%	17,939	7,011	155.9%
Income from continuing operations before income tax	4,823,702	3,714,382	29.9%	496,029	682,559	-27.3%
Income Tax	983,243	789,036	24.6%	(370,882)	(79,795)	364.8%
Income from continuing operations after income tax	3,840,459	2,925,346	31.3%	866,911	762,354	13.7%
Discontinued operations	(146,324)	43,960	NA	(146,324)	(45,176)	223.9%
Consolidated net income	3,694,135	2,969,306	24.4%	720,587	717,178	0.5%
Minority Stock holders	-	16,860	-100.0%	(3,413)	2,704	NA
Majority stock holders	3,694,135	2,952,446	25.1%	724,000	714,474	1.3%
EBITDA	8,123,780	6,175,001	31.6%	1,774,108	1,338,557	32.5%