Stock Information Mexican Stock Exchange Ticker: MEXCHEM*

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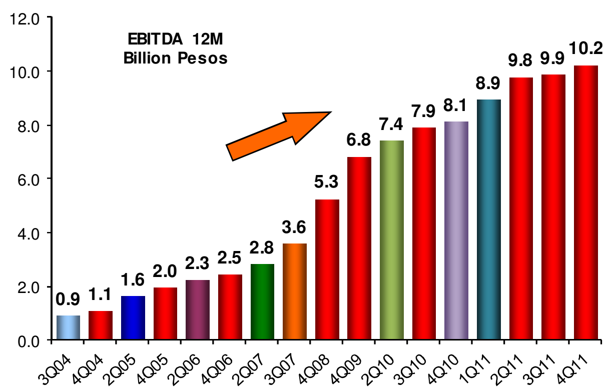
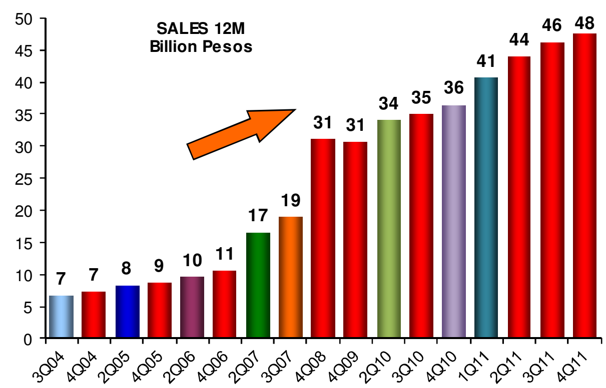
Consolidated Results

	Fourth Quarter			January- December		
Consolidated Million Pesos	**2011**	**2010**	**% Var.**	**2011**	**2010**	**% Var.**
Net Sales	10,807	9,539	13%	47,643	36,472	31%
Gross Profit	3,600	2,915	23%	15,922	12,339	29%
Net Income	147	930	-84%	2,755	3,913	-30%
Operating cash flow (EBITDA)	2,159	1,758	23%	10,271	8,124	26%
Free cash flow	478	1,770	-73%	2,097	2,099	0%

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.

Net profit is mainly affected by the 12.6% devaluation of the Mexican peso (from $12.38 to $13.94 pesos per dollar).





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

On growth

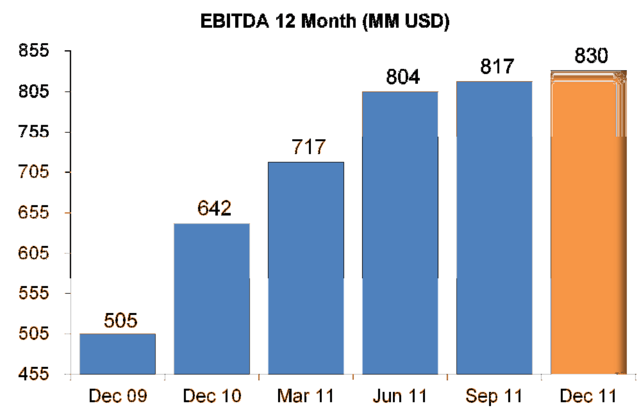
2011 consolidated sales rose 31% vs. the previous year, to $47.643 billion pesos, boosted by an 11% improvement in sales prices, and an 18% hike in volumes sold, as a result of the organic growth of the current businesses, and the incorporation of the results of the acquisition of INEOS Fluor's results as of the second quarter of 2010, Policyd and Plasticos Rex in November 2010, and AlphaGary in January 2011.

Consolidated sales for the quarter reached $10.807 billion pesos—13% higher than in the same period of 2010. This growth was mainly due to a 21% increase in volumes sold by the existing businesses and the incorporation of the results of the businesses mentioned above.

Efficiency and productivity

Accrued EBITDA for the year was $10.271 billion—26% higher than in 2010. This increase followed a better sales volume and lower costs, due to the incorporation of the new businesses and the ensuing synergies. These synergies somewhat compensated for the lower EBITDA/Sales margins of the acquired businesses, so that we achieved an accrued margin of 22% in 2011.

As for the fourth quarter, the $2.159 billion peso EBITDA was 23% higher YOY. The margin for the quarter was 20%—2 percentage points higher than the previous year.



Financial interest and F/X gains

By the fourth quarter of 2011, this item reached a cost of $2.614 billion pesos—213% above the figure reported in the same period of 2010. This was due to an F/X loss in the period, amounting to $1.276 billion pesos, vs. an F/X gain of $347 million pesos in 2010, as a result of the volatility in the main currencies—the Brazilian real, the Mexican peso, and the Colombian peso—caused by the economic instability that the economies of developed countries (mainly in Europe) experienced.

Income tax

The income tax at the end of 2011 amounted to $1.867 billion pesos—148% higher than in 2010—mainly because of better operating results in the period.

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

Gross generation accrued up to December 2011 amounted to $7.144 billion pesos—48% higher than in the same period of 2010—due to better operating results.

Operating and Free Cash Flow

	Fourth Quarter			January- December		
Periods	2011	2010	% Var.	2011	2010	% Var.
EBITDA	2,159	1,758	23%	10,271	8,124	26%
Free Cash Flow	478	1,770	-73%	2,097	2,099	0%

In 2011, the company generated $2.097 billion pesos in Free Cash Flow—flat vs. 2010. In 2011, CAPEX amounted to $2.139 billion pesos (37% more YOY), and working capital rose 49%.

Balance Sheet

Working Capital

Working capital for 2011 totaled $7.358 billion pesos. This is 49% greater than at the end of 2010, mainly due to higher sales and an increase in raw material prices. Days Sales Outstanding (DSO), Inventory Days' Supply (IDS) and Days Payable Outstanding (DPO) remained in line with yearend 2010.

Net Debt

Net debt for 2011 settled at US$929 million in dollar terms—$20 million minor quarter over quarter.

The net debt to EBITDA ratio remains at 1.12x—below the internal goal of 2.0x—and better than the figure reported in the third quarter of the year.

	Twelve months Pro forma	
	2011	2010
Net Debt US$ MM	929	864
Net Debt/EBITDA 12M	1.12x	1.34x
Interest coverage	7.3x	6.4x
Outstanding Shares	1,800,000,000	1,800,000,000

Operating results by Chain

Integral Solutions Chain

Integral Solutions Chain	Fourth Quarter 2011	Fourth Quarter 2010	Fourth Quarter % Var.	January- December 2011	January- December 2010	January- December % Var.
Net sales	5,068	4,411	15%	18,771	16,294	15%
Operating Income	439	123	258%	2,054	1,873	10%
EBITDA	711	584	22%	2,996	2,829	6%

Volumes & Prices	Fourth Quarter	January- December
Total Volume	4%	12%
Average selling prices	10%	3%

With regard to accrued sales for 2011, they totaled $18.771 billion pesos—15% higher than in the same period of 2010. As for EBITDA, it reached $2.996 billion pesos in this period of 2011—6% higher than in 2010 as a result of higher sales income.

Sales for the fourth quarter of 2011 totaled $5.068 billion pesos—15% more than in the same period of 2010—mainly as a result of a greater critical mass (4%) and better prices (10%). As for EBITDA, it rose 22% as a result of higher sales revenues.

Chlorine-Vinyl chain

Vinyl - Chlorine Chain	Fourth Quarter 2011	Fourth Quarter 2010	Fourth Quarter % Var.	January- December 2011	January- December 2010	January- December % Var.
Net sales	5,894	3,938	50%	24,753	16,809	47%
Operating Income	701	145	382%	3,091	1,911	62%
EBITDA	953	432	120%	3,949	2,751	44%

Volumes & Prices	Fourth Quarter	January- December
Total Volume	10%	14%
Average selling prices	36%	29%

For 2011, the Vinyl-Chlorine chain reported total sales of $24.753 billion pesos—47% higher YOY. EBITDA amounted to $3.949 billion pesos—44% more than in 2010—as a result of higher sales volumes and better prices, in addition to the incorporation of AlphaGary, whose revenues totaled $3.346 billion pesos and EBITDA $428 million pesos.

Sales from October to December 2011 amounted to $5.894 billion pesos—50% higher than in the same period of 2010—thanks to a 10% increase in the critical mass (mainly in resin and PVC compounds), as well as a substantial 36% improvement in sales prices of caustic soda and compounds. On the other hand, EBITDA rose 120% due to the higher sales income and the consolidation of the synergies from the Policyd and AlphaGary acquisitions. We should highlight that, although we included businesses such as AlphaGary and Policyd with lower margins, the quarter's margin was 5.2% higher than in 4Q10, reflecting the synergies of these acquisitions.

Fluorine Chain

	Fourth Quarter			January- December		
Fluorine Chain	2011	2010	% Var.	2011	2010	% Var.
Net sales	2,499	2,076	20%	10,853	6,927	57%
Operating Income	623	679	-8%	3,217	2,130	51%
EBITDA	807	844	-4%	3,979	2,694	48%
Volumes & Prices	Fourth Quarter				January- December	
Total Volume	40%				31%	
Average selling prices	-14%				19%	

As for accrued results for 2011, sales totaled $10.853 billion pesos—57% more than in 2010. EBITDA amounted to $3.979 billion pesos—48% more than in the same period of 2010. These significant advances were the result of the extraordinary sales improvement, a larger self-consumption of fluorite, and the inclusion of INEOS Fluor's figures as of April 2010, together with the successful synergies that this acquisition brought about.

This chain achieved sales of $2.499 billion pesos in the last quarter of 2011—20% higher than in 2010—as a result of a 40% advance in volumes, which counter a 14% decrease in prices, essentially because of the seasonality of coolants, which is at its lowest in the fourth quarter of the year.

Other Relevant Events

During October, the Kawasaki, Japan, coolant plant began operations. This enables us to increase our presence in the Asian market and expand the vertical integration in manufacturing coolants in various plants.

Earlier this year, we completed the acquisition of Fluorita de Mexico (FDM), located in the city of Muzquiz, Coahuila, as well as the mining concessions for the Las Sabinas mine in the same state. Through this acquisition, Mexichem will gain access to the purest fluorite worldwide, making it possible to guarantee, for many years, the viability of its operations both in England and in Asia. This is part of a series of investments for the production of new generation coolants, which are more environmentally friendly. The mine has reserves of over 13 million tons of high-purity fluorite which, added to the 50 million tons of reserves in Minera las Cuevas, confirms us as the largest integrated coolant producer in the world. In addition to the initial investment, Mexichem Fluor plans to invest over $200 million pesos in modernizing its activities, increasing its production to over 120 thousand tons per year. This will result in greater benefits to its communities, its workers, and the environment. The increase in productivity will signify a greater availability of the product for the company's current and potential clients. Through this addition to Mexichem's Fluorine Chain, the company's EBITDA will be increased by over $300 million pesos per year in the first stage, confirming the strategy of continuing the integration of its portfolio of fluorine-derived products step by step, which began with the purchase of INEOS Fluor, followed by Coolant plant 125 from Showa Denko in Japan, and the Hydrofluoric Acid plant in Korea.

Mexichem and Wavin N.V. announced jointly that they have reached an agreement regarding the public tender offer in cash that Mexichem made for all of Wavin's shares issued and on the market at a price of €10.50 for each of Wavin's common shares.

The combination of Wavin and Mexichem would result in the world leader (€4 billion in total sales) of plastic pipe systems and solutions, based on a combined history of innovation and commitment to customer service. Both companies would 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.

Wavin's Boards of Management and Supervisors support and recommend the offer to their shareholders, as they believe this transaction offers a fair price, and is in the best interest of both the company and its shareholders. Moreover, ING Bank N.V. has submitted an opinion to Wavin's Board of Supervisors, indicating that the offer is fair to the company's shareholders from a financial viewpoint.

Wavin is the leading supplier of plastic pipe systems and solutions in Europe. The company provides basic functions: The plastic pipe systems and solutions for tap water, surface heating and air conditioning, soil and waste, rain and rain waters, water and gas supply, and telecommunications applications. Wavin's headquarters are in Zwolle (Netherlands), and it has presence in 25 European countries. The company employs roughly 6,000 people. Its 2010 revenues amounted to around €1.2 billion. Outside Europe, it has a worldwide network of agents, concessionaires, and distributors. Wavin's shares are traded on the New York and Amsterdam Stock Exchanges (WAVIN). This transaction is expected to be completed in the second quarter of this year.

Outlook

Throughout 2011, the results achieved were above the original goals, reaching $3.846 billion and $830 million dollars in revenues and EBITDA, respectively—a growth of 15 and 16%, each. Our initial guideline for the year as a whole set a target of $3.332 billion dollars in revenues and $780 million in EBITDA.

For 2012, we expect revenues to amount to $4.36 billion dollars and EBITDA to $1 billion dollars. These increases in both revenues and EBITDA shall be the result of the projects announced in 2011, in addition to the organic growth of our businesses, and they do not consider any possible acquisitions by the company. The estimated net debt to EBITDA by the end of 2012, without acquisitions, will amount to around 0.8x, and long-term debt will represent 96% of the total debt, proving the financial soundness and capacity to continue growing.

Mexichem S.A.B de C.V. was notified officially by the Federal Antitrust Commission (COFECO) authorizing the co-investment with Pemex for the manufacturing of vinyl-chlorine monomer (VCM). The co-investment will represent roughly $556 million dollars, and involves both Mexichem assets for manufacturing chlorine and soda, and Pemex's for manufacturing VCM.

This co-investment provides Mexichem with various advantages, the most noteworthy being: the increase in production of caustic soda, which enables the Company to cover the current deficit of this product in Mexico. On the other hand, chlorine production margins improve, as it will no longer be necessary to negotiate this product on the spot market. Another of the advantages of this project is that it will considerably reduce our dependence on others for the supply of VCM—a key raw material in the production of PVC—and, by having a greater vertical integration in this product chain, the value of these products will increase, ultimately reflected in a higher EBITDA for the company.

Once this co-investment project is completed, the partnership model established between the Private Sector and Pemex opens the door for this model to be repeated and achieve the modernization of the petrochemical industry in our country, as well as have true growth in this key sector of the Mexican economy.

The integration of the various acquisitions has increased our geographic presence and the product portfolio, bolstering our vertical integration and opening new opportunities to continue with the company's globalization. Within the strategy defined to achieve our 20/20/20 vision, we are close to becoming the largest plastic pipe producer in the world through the acquisition of Wavin, and thus increasing our geographic presence and diversification.

The prevailing uncertainty in Europe has as yet had no impact on the development of the various economies of the countries where we have a presence (with some exceptions). Demand and price growth reveal this, as do the government programs to reduce the housing and infrastructure deficit in countries such as Brazil, Ecuador, Venezuela, Colombia, and Mexico.

The challenge remains great, but we are certain that, with the strategies we are implementing based on our competitive advantages, and with the passion that is a hallmark of Mexichem, we shall achieve our growth and profitability objectives.

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		
	dec-11	dec-10	%
Total assets	**59,722,242**	**50,133,028**	**19%**
Cash and temporary investments	7,675,504	7,145,786	7%
Receivables	8,990,650	6,766,478	33%
Inventories	6,657,677	4,466,417	49%
Others current assets	1,863,062	1,381,238	35%
Long term assets	34,535,349	30,373,109	14%
Total liabilities	**35,788,789**	**30,349,864**	**18%**
Current liabilities	15,950,815	11,700,001	36%
Long-term liabilities	19,837,974	18,649,863	6%
Consolidated shareholders'equity	**23,933,453**	**19,783,164**	21%
Minority shareholders'equity	71,783	60,093	19%
Majority shareholders'equity	**23,861,670**	**19,723,071**	**21%**

Consolidated Income Statement

Pesos in thousands	January- December			Fourth Quarter		
	2011	2010	%	2011	2010	%
Net Sales	47,642,674	36,471,649	31%	10,807,289	9,539,481	13%
Cost of Sales	31,720,613	24,132,565	31%	7,207,506	6,624,230	9%
Gross Profit	**15,922,061**	**12,339,084**	**29%**	**3,599,783**	**2,915,251**	**23%**
Operating Expenses	8,636,269	6,693,893	29%	2,275,595	2,089,367	9%
Operating Income	**7,285,792**	**5,645,191**	**29%**	**1,324,188**	**825,884**	**60%**
Financial Cost	2,613,694	834,997	213%	844,753	356,395	137%
Other Expenses	-	-		-	3,134	-100%
Income from continuing operations before income tax	**4,672,098**	**4,810,194**	**-3%**	**479,435**	**466,355**	**3%**
Income Tax	1,866,667	751,249	148%	318,188	(602,691)	-153%
Income from continuing operations after income tax	**2,805,431**	**4,058,945**	**-31%**	**161,247**	**1,069,046**	**-85%**
Discontinued operations	(50,831)	(146,324)	-65%	(14,447)	(138,706)	-90%
Consolidated net income	**2,754,600**	**3,912,621**	**-30%**	**146,800**	**930,340**	**-84%**
EBITDA	**10,271,168**	**8,123,781**	**26%**	**2,159,057**	**1,758,105**	**23%**