Mexichem Reports First Quarter 2018 Results

- **Strong EBITDA growth achieved across all key segments and EBITDA margin continues improving as a result of better pricing conditions**
- **European market dynamics in Fluor, Netafim's consolidation in Fluent, and a full quarter contribution from the ethylene cracker in Vinyl boosted Mexichem's results**
- **Balanced Mix of Organic and Acquisition Growth**

Tlalnepantla de Baz, Estado de Mexico, April 25, 2018 - Mexichem, S.A.B. de C.V. (BMV: MEXCHEM*) ("the Company" or "Mexichem") announced its unaudited results for the first quarter of 2018. The figures have been prepared in accordance with International Financial Reporting Standards ("NIIF" or "IFRS"), having US dollars as the functional and reporting currency. All comparisons are made against the same period of the prior year except for Netafim´s 1Q17 P&L figures, which are not included in the comparisons, but proforma financials are included in this report in Appendix II. Unless specified to the contrary, all figures are in millions. In EBITDA, Operating Income and Net Income comments in this report, we will refer to the term "Organic Basis" which means that it will exclude: i) Netafim´s results for the quarter, and ii) CADE and Netafim Ltd. acquisition related expenses. In some cases, numbers and percentages have been rounded and may not add up.

Please note that the presentation of Mexichem's 2018 first quarter results reflect the effects of several actions taken by the Company in 2017 and during the quarter. A detailed review of these actions can be found on Page 15 of this release. It is highly recommended that you read these Clarifications prior to analyzing the Company´s 1Q18 results.

First Quarter 2018 Financial and Operating Highlights:

- **Revenues increased 26% to $1.75 billion.**
- **Operating Income increased 88% to $227 million.**
- **EBITDA grew 63% to $330 million and EBITDA Margin increased 428 bps to 18.8%.**
- **Consolidated net income totaled $111 million compared to $53 million.**
- **ROE/ROIC from continuing operations increased 350 and 110 bps to 11.5% and 7.5%, respectively.**

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CONSOLIDATED SELECTED FINANCIAL RESULTS

mm US$	First Quarter		
Selected Financial Results	2018	2017	% Var.
Net sales	1,756	1,394	26%
Operating income	227	121	88%
EBITDA	330	202	63%
EBITDA margin	18.8%	14.5%	428 bps
EBT	162	76	113%
Consolidated net income (loss)	111	53	109%
Net majority income	79	52	52%
Operating cash flow before capex	(27)	1	N/A
Total CAPEX (organic & JV)	(66)	(82)	-20%
Cash Flow before dividends	(94)	(81)	16%
Free cash flow	(168)	(107)	57%

- For comparable purposes figures for 2017 and 2018 consider the discontinued operation related to the decision of PMV´s shareholders not to rebuild VCM production capacity.
- Netafim Ltd. Opening Balance Sheet as of January 31,2018 for cash flow purposes and financial consolidation effective February 7, 2018.

MANAGEMENT COMMENTARY

STRATEGY, PERFORMANCE AND OUTLOOK

First quarter results represented a strong start to 2018 and demonstrated Mexichem's leadership as a global supplier of industrial products and solutions to important end markets across a broad range of industries.

Each of our key business segments posted substantial EBITDA growth, with year-on-year comparisons reflecting improved market dynamics, greater scale and efficiencies, and an eight-week contribution from our recent acquisition of Netafim Ltd., which was in line with our expectations.

Certain first quarter-specific items benefitted our results for the period, including: an additional two months of operations of our ethylene cracker joint venture and a spike in volumes and pricing of key products in our Fluor Business Group caused by market timing factors. These impacts are not expected to recur in the remainder of this year, nor are the one-time charges related to the CADE payment.

In the first quarter, Fluent, our largest business group, achieved significant EBITDA growth led by the strong performance of Europe and the U.S., and the addition of Netafim Ltd., more than compensating for the impact of $18.8 million in CADE and Netafim acquisition expenses; our Vinyl Business Group benefitted from improved pricing and a full quarter contribution from the ethylene cracker, which has made us one of the most cost-efficient PVC producers in the world; in Fluor, better market conditions resulted in exceptionally strong year-on-year EBITDA comparisons.

First quarter results have put us firmly on track to achieve our EBITDA guidance for 2018, while we further develop our global product and solutions platform around select vertical markets, including, Building and Infrastructure, Datacom, Agriculture, Automotive and Healthcare, in which we serve customers worldwide.

Our major focus in 2018 is the successful integration of Netafim Ltd, which is currently underway and holds tremendous promise for our entire organization. With respect to capital allocation, our priorities include fast-return investments in organic projects, and the reduction of our leverage ratio to below 2x within 18 months following the closing of the Netafim acquisition. Additionally, we significantly increased our cash dividend payments for 2018 based on 2016 financial results.

In mid-April, we reached a $323 million settlement with our insurance providers related to the accident that occurred in our PMV joint venture facility two years ago. The amount of the settlement covers the receivable currently on our balance sheet related to the property damage and assembly insurance policies.

Looking ahead, the assumptions underlying our expectation for another year of exceptional EBITDA growth remain unchanged. In Fluent, our positioning in high growth markets has been enhanced by Netafim, and conditions in Latin America are improving; in Vinyl, we expect pricing to continue to be strong, and we retain cost leadership advantages; and in Fluor, volumes and prices are expected to evolve at a more normalized rate for the remainder of year, driving positive comparisons in 2018.

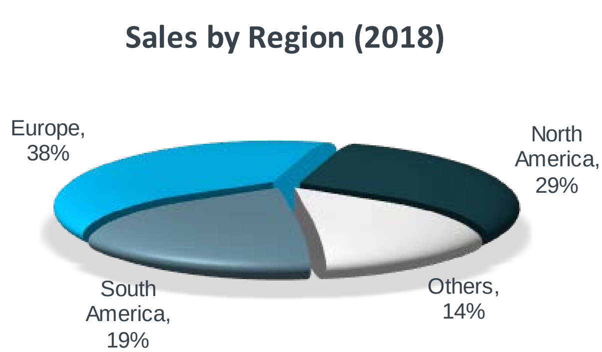
FIRST QUARTER FINANCIAL RESULTS

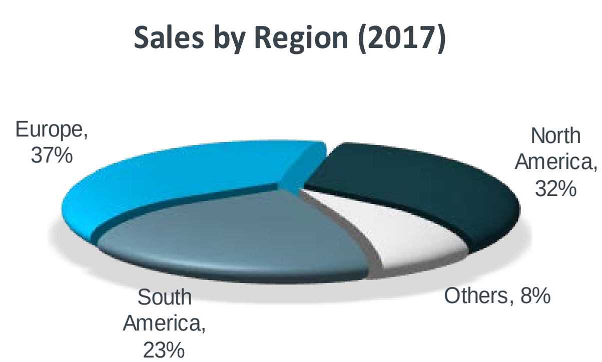
REVENUES

In the first quarter of 2018 revenues totaled $1.75 billion, up $362 million, or 26%, from 1Q17 led by higher sales in all our business groups. Sales for our Fluor, Fluent and Vinyl Business Groups increased by 48%, 35% and 8%, respectively, driven mainly by solid fluorspar demand and better pricing in our Fluor Business Group, improved market conditions in Fluent LatAm, Europe and US/Canada and an improved PVC price environment compared to last year's first quarter. In the case of the Fluent Business Group, results also benefitted from the integration of Netafim, Ltd. (52 days), an acquisition of which was completed on February 7th, 2018. Consolidated organic sales growth was 13.2% compared to 1Q17.

The exchange rate translation effect for 1Q18 had a positive impact of $90 million on consolidated basis compared to the 1Q17, mainly as a result of the appreciation of the Euro (15.4%), the British pound (12.1%), Czech Koruna (22.9%), Polish Zloty (19.8%), Danish Krone (15.7%) and the Mexican Pesos (8.6%) against the US dollar.

SALES BY REGION (DESTINATION)





The United States and Mexico represented 15% and 11%, respectively, of total sales by destination in 1Q18; Germany accounted for 8%, and Brazil and the UK represented 6% each.

EBITDA

In 1Q18 EBITDA was $330 million, a 63% increase from the $202 million reported in the same quarter last year. EBITDA margin for the quarter was 18.8% compared to 14.5% in the 1Q17. On an Organic Basis, EBITDA would have been $320 million, an increase of 58% with an implied EBITDA margin of 20.2%.

EBITDA growth was achieved across each business group. In the Vinyl and Fluor Business Groups, EBITDA increased by $68 million and $33 million, respectively, compared to 1Q17.

The Fluent Business Group's EBITDA increased 30% to $103 million, compared to $79 million in 1Q17. This positive performance includes the consolidation of Netafim Ltd., and the CADE and Netafim Ltd. acquisition expenses.

Overall positive results for the quarter were attributable to : i) increased profitability from the vertical integration in our Vinyl Business Group due to the inclusion of a full quarter operations of the ethylene cracker, which started at the beginning of March 2017; ii) improved market dynamics in both U.S. and Europe in Fluent and Fluor Business Groups which guide sales growth in both markets while LatAm and AMEA showed significant signs of recovery; and iii) the consolidation of Netafim's results.

In 1Q18 the foreign exchange translation effect on EBITDA was immaterial.

OPERATING INCOME

Mexichem reported operating income for 1Q18 of $227 million, compared to $121 million reported in 1Q17, an 88% increase.

On an Organic Basis, operating Income would be $221 million, an increase of 83%.

FINANCIAL COSTS

In 1Q18, financial cost increased by $20 million or 44% to $65 million, compared to 1Q17. This increase is mainly due to higher interest costs related to the debt issuance completed at the end of September 2017 and a FX loss of $5 million resulting from the appreciation of the Mexican peso against the US dollar, which impacted the Company's Mexican peso denominated-debt, and net obligations in other non-US dollar currencies, which were revalued in 1Q18.

TAXES

Income from continuing operations increased 113% while the cash tax only increased 79%. This was due to the fact that the accounting profits related to the start-up of commercial operations of the ethylene cracker in 2Q17 do not have an associated tax because of the use of bonus depreciation. This generated a reduction in the cash tax rate to 32% in 1Q18 from 38% in 1Q17.

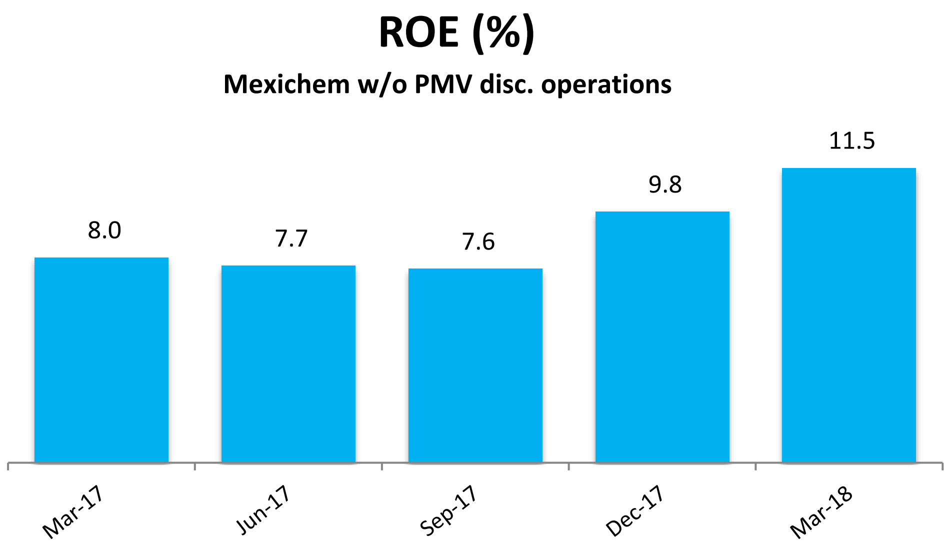
In 1Q18, the effective tax rate of 31.5% remained constant with the 31.6% of 1Q17.

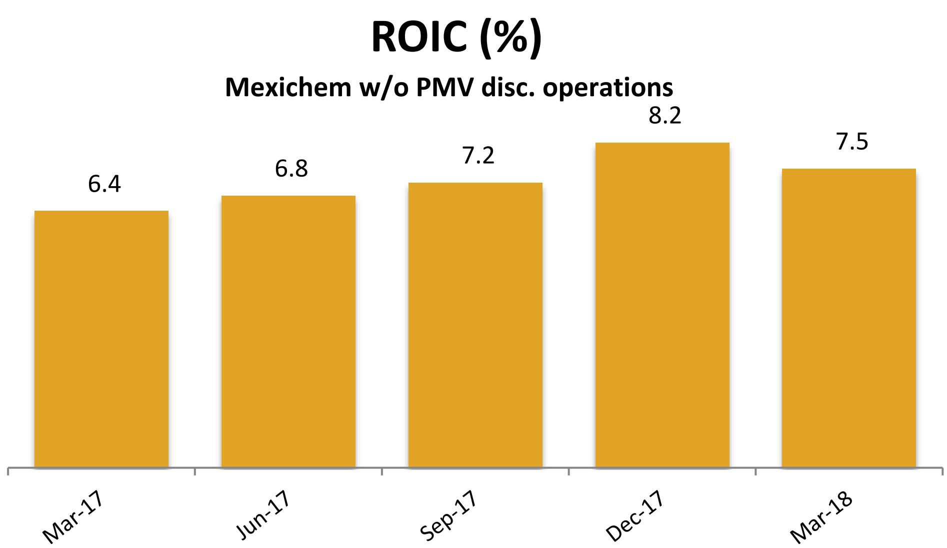
CONSOLIDATED NET INCOME (LOSS) AND MAJORITY INCOME (LOSS)

In 1Q18, the Company reported Consolidated Net Income of $111 million and Net Majority Income of $79 million, compared to reported Consolidated Net Income and Net Majority Income of $53 and $52 million, respectively, in 1Q17. These results reflect the higher Operating Income and EBITDA reported in this year's first quarter and the lower cash tax rate mentioned above.

USD in millions	First Quarter		
Income statement	**2018**	**2017**	**%**
Income (loss) from continuing operations before income tax	**162**	**76**	**113%**
Cash tax	52	29	79%
Income (loss) from continuing operations after cash tax	**110**	**47**	**134%**
Deferred taxes	(1)	(5)	-80%
Income (loss) from continuing operations	**111**	**52**	**113%**
Discontinued operations	-	1	-100%
Consolidated net income (loss)	**111**	**53**	**109%**
Minority stockholders	32	1	3100%
Net income (loss)	**79**	**52**	**52%**

Adjusted ROE and ROIC from continuing operations:





ROE: Income from continuing operations / Adjusted Average Equity from continuing operations

ROIC: Adjusted NOPAT for continuing operations/Adjusted Equity from continuing operations + Liabilities with cost – Cash
Income from continuing operations and NOPAT (EBIT-taxes) consider trailing twelve months.

BALANCE SHEET AND OPERATING CASH FLOW HIGHLIGHTS

OPERATING CASH FLOW HIGHLIGHTS

mm US$	First Quarter		
	2018	2017	% Var.
EBITDA	330	202	63%
Taxes paid	(54)	(29)	86%
Net interest paid	(65)	(36)	81%
Bank commissions	(12)	(6)	100%
Exchange rate gains (losses)	(10)	11	N/A
Change in trade working capital	(217)	(141)	54%
Operating cash flow before capex	(27)	1	N/A
CAPEX (Organic)	(61)	(48)	27%
CAPEX (Total JV)	(6)	(62)	-90%
CAPEX JV (OXY share)	-	28	-100%
NET CAPEX JV	(6)	(34)	-82%
Total CAPEX (organic & JV)	(66)	(82)	-20%
Cash flow before dividends	(94)	(81)	16%
Shareholders' dividend	(74)	(26)	185%
Free cash flow	(168)	(107)	57%

*Changes in Netafim Ltd. trade working capital were calculated using as an opening balance January's 31, 2018 Balance Sheet, which corresponds to an initial working capital of $257.8 million.

- Operating Cash Flow before Capex was negatively affected by an 86% increase in taxes paid and an 81% increase in interest paid, which were related to higher debt and higher income from continuing operations before taxes, and a 54% increase in working capital needs. The latter is mainly a result of higher sales in all our Business Groups, the integration of Netafim Ltd. and the inclusion of our JV ethylene cracker, which started operations at the beginning of March 2017.

- Capital expenditures in the 1Q18 decreased by 20% to $66 million. Of the total amount invested in the quarter, 92% was used for maintenance CAPEX.

NET WORKING CAPITAL

	2018 Variation			2017 Variation		
	Mar-18	Dec-17	∆ ($)	Mar-17	Dec-16	∆ ($)
Working Capital	727	510	(217)	326	184	(141)

*Changes in Netafim Ltd. trade working capital were calculated using as an initial balance January's 2018 Balance Sheet, which corresponds to an initial working capital of $257.8 million.

As of March 31, 2018, working capital needs increased by $217 million, compared to December 31, 2017. This represented a year-over-year increase of $76 million in working capital needs, which was mainly related to the integration of Netafim's results and higher sales in all the Company's business groups.

FINANCIAL DEBT

	Last Twelve Months	
	Mar 2018	Dec 2017
Net Debt USD million	3,084	1,356
Net Debt/EBITDA 12 M	2.3x	1.2x
Interest coverage	6.3x	5.7x
Outstanding shares (millions)	2,100	2,100

Net debt USD includes $0.9 million of letters of credit with maturities of more than 180 days that for covenant purposes are considered gross debt, although they are not booked in the accounting debt.

Total financial debt as of March 31, 2018 was $3.6 billion, while cash and cash equivalents totaled $564 million, resulting in net financial debt of $3.1 billion.

On February 7th, 2018, Mexichem completed the acquisition of an 80% stake in Netafim, Ltd. from a company backed by the Permira funds after all the governmental authorizations and all the precedent conditions required by the Share Purchase Agreement were obtained and completed. The total enterprise value of the transaction was US$1.895 billion. Kibbutz Hatzerim retains 20% ownership in Netafim Ltd. As previously-disclosed, Mexichem financed the acquisition with a combination of cash and debt, which included the proceeds from the bond offering completed on September 27th, 2017 and the credit facility with BBVA-Bancomer announced on December 20th, 2017.

The Net Debt/EBITDA ratio was 2.3x as of March 31, 2018, while Interest Coverage was 6.3x.

CONSOLIDATED BALANCE SHEET

Balance sheet	USD in millions Mar 2018	Dec 2017
Total assets	**10,422**	**9,759**
Cash and temporary investments	564	1,900
Receivables	1,368	975
Inventories	868	675
Others current assets	478	403
Long term assets	7,144	5,807
Total liabilities	**6,856**	**6,079**
Current portion of long-term debt	358	45
Suppliers	1,509	1,362
Other current liabilities	812	723
Long-term debt	3,289	3,210
Other long-term liabilities	887	738
Consolidated shareholders'equity	**3,566**	**3,681**
Minority shareholders' equity	909	878
Majority shareholders' equity	**2,658**	**2,803**
Total liabilities & shareholders' equity	**10,422**	**9,759**

Financial Assets

On April 20th, 2016, an unfortunate accident/explosion occurred in the VCM plant inside the Pajaritos Petroquemical Complex, where two of the three facilities of PMV are located (VCM and Ethylene). The chlorine and caustic soda plant is located on a separate site. There was no damage to the chlorine-caustic soda plant, but there was business interruption in the supply of raw material. The VCM plant (Clorados III) is the one that sustained most of the damage, the major economic impact of which was the write-off of the asset and the shutdown of that plant. The direct economic impacts of this incident are the following: i) $276 million related to the VCM plant asset write off (property damage), and, ii) $44 million in costs related to the closure of the plant (damages to third parties/civil liability, environmental, lawyers, advisors, partial demounting, etc.), for a total of $320 million.

In 2016, PMV gathered sufficient information to decide to recognize an account receivable related to insurance coverage. During 2017 and 2016, PMV recognized $283 million as revenue and accounts receivable related to property damage, damages to third parties (civil liability) and directors' and officers' insurance coverage. Out of the $283 million, $260 million was related to the property damage insurance policy. The remaining $23 million was related to third party damages (civil liability) and directors' and officers' insurance coverage, from which approximately $11 million, as of the date of this report, was already recovered. Additionally, PMV recognized business interruption insurance proceeds of $48 million for the VCM and Ethylene plants (also covered in the property damage insurance policy), $23 million for the Chlorine-Caustic Soda plant and Mexichem's Resins, Compounds and Derivatives business unit recognized $18 million for our PVC plants.

In 1Q18, PMV recognized $2 million as an additional account receivable related to the assembly policy, as such the total amount of the account receivable increased to $285 million, and as a result, $262 million was related to the property damage insurance policy mentioned above.

On April 16th 2018, PMV signed an agreement with the insurance companies for a total payment in the amount of $323 million, of which: i) $262 million related to the coverage detailed above, which are included in the property damage insurance policy, ii) $48 million related to the business interruption coverage for the VCM plant also mentioned above, and, iii) $13 million related to other expenses not included in the Company's statements as of March 31, 2018 and as such are expected to be registered in the 2Q18.

With respect to this settlement with the insurance companies, the difference between the direct economic impact of the incident of $320 million *(paragraph 1 page 9)* and $285 million was mainly related to property that was not covered by the insurance policy because in accordance with the adjustment made by the insurers that difference is related to assets that did not suffer any damage and are already owned by PMV. PMV is preparing an appraisal of these assets to determine their recoverable value. Due to the reasons mentioned above, the difference is no longer a Contingent Asset.

On December 20, 2017, Mexichem announced the decision of PMV shareholders not to rebuild its VCM production capacity. Therefore, the joint venture's VCM production, and the assets and liabilities associated with ethylene production and auxiliary services associated with VCM and ethylene were classified on that date as discontinued operations in Mexichem's financial statements for the years 2015, 2016 and 2017, since this implies the exit of PMV from the VCM and ethylene businesses in Mexico. Thus, all of the impacts and the revenues recognized by PMV related to the incident in the VCM plant are presented as discontinued operations, except for the business interruption related to the chlorine-caustic soda plant. This represents the exit of PMV from the VCM and ethylene businesses in Mexico, but not the chlorine-soda business, whose plant will continue to be operated by PMV, and therefore the alliance between the PPQC subsidiary of PEMEX Ethylene and Mexichem will remain in place.

Additionally, the PMV decision not to rebuild the VCM plant triggered the asset write-off of the Ethylene plant and auxiliary services related to the VCM and Ethylene plants equivalent to $196 million, also presented as discontinued operations, and PMV did not recognize any recovery value for the discontinued assets due to the inability to currently value these assets. PMV is performing an appraisal to determine the recovery value of those assets.

Financial Liability

As reported in 2Q16, Mexichem's Brazilian subsidiary was notified by CADE of alleged violations of the rules of economic competition in Brazil, committed by the subsidiary and some of its executives, from 2003 to 2009. On March 27, 2017, Mexichem announced that its Brazilian subsidiary, Mexichem Brasil Industria de Transformação Plástica, Ltda. (formerly Amanco Brasil, Ltda.), reached a cease and desist agreement with the Administrative Council of Economic Defense in Brazil (CADE in the Portuguese acronym). This agreement was approved by the Tribunal of the CADE in accordance with Article 10, subsection VII, of Law N ° 12529, on November 30, 2011, in compliance with the decision of the Court rendered in the 116th Session of the Ordinary Judgment held on December 13, 2017. By means of this agreement, Mexichem Brasil Industria de Transformação Plástica, Ltda. (formerly Amanco Brasil, Ltda.) is committed to pay a pecuniary contribution of R$95.1 million (approximately $28 million) within 240 days following the date on which the agreement is published in the official gazette of such country. Additionally, CADE, imposed pecuniary contributions to former employees who were part of the Company during the investigated period. Mexichem is fully committed to complying with local regulations in all of the countries in which it has operations and has implemented all corrective measures required. Due to the previously mentioned, this is no longer a Contingent Liability.

Contingent Asset

As a result of the VCM Plant (Clorados III) incident described in the financial asset disclosure and depending on the resolution of the environmental authorities mentioned in Contingent Liabilities below, the company would recognize revenue and accounts receivable according to the conditions contained in the environmental insurance coverage.

PMV also is awaiting receipt of the appraisal of the discontinued assets in order to determine and accrue its recovery value.

Contingent Liability

As a result of the VCM Plant (Clorados III) incident described in the contingent asset disclosure, PMV performed an environmental assessment to determine if any pollutants were deposited in areas surrounding the facility, delivered the report to the environmental authorities and is working with them in order to determine environmental damages, if any. Also, PMV could be responsible for third party injuries, if any. Based on the information the Company has as of this report, there is no evidence that there are additional relevant liabilities.

CONSOLIDATED INCOME STATEMENT

USD in millions	First Quarter		
INCOME STATEMENT	**2018**	**2017**	**%**
Net sales	1,756	1,394	26%
Cost of sales	1,282	1,086	18%
Gross profit	**474**	**308**	**54%**
Operating expenses	247	188	31%
Operating income (loss)	**227**	**121**	**88%**
Financial cost	65	45	44%
Equity in income of associated entity	(1)	-	
Income (loss) from continuing operations before income tax	**162**	**76**	**113%**
Cash tax	52	29	79%
Deferred taxes	(1)	(5)	-80%
Income tax	51	24	113%
Income (loss) from continuing operations	**111**	**52**	**113%**
Discontinued operations	-	1	-100%
Consolidated net income (loss)	**111**	**53**	**109%**
Minority stockholders	32	1	3100%
Net income (loss)	**79**	**52**	**52%**
EBITDA	**330**	**202**	**63%**

OPERATING RESULTS BY BUSINESS GROUP

VINYL Business Group (36% and 45% of Mexichem's sales (before eliminations) and EBITDA, respectively, in 2018)

mm US$	First Quarter		
Vinyl	**2018**	**2017**	**% Var.**
Volume (K tons)	644	643	0%
Total sales*	646	598	8%
Operating income	105	54	94%
EBITDA	152	84	81%

*Intercompany sales were $40 million and $45 million in 1Q18 and 1Q17, respectively.

mm US$	First Quarter		
Resins, Compounds & Derivatives	**2018**	**2017**	**% Var.**
Volume (K tons)	569	578	-2%
Total sales*	626	583	7%
Operating income	98	49	100%
EBITDA	143	75	91%

*Intercompany sales were $48 million and $51 million in the 1Q18 and 1Q17, respectively. Of these amounts, $8 million and $6 million were invoiced to PMV in 1Q18 and 1Q17, respectively.

mm US$	First Quarter		
PMV	**2018**	**2017**	**% Var.**
Total sales*	28	23	22%
Operating income	7	5	40%
EBITDA	10	8	25%

*Intercompany sales invoiced to Resins, Compounds and Derivatives were $0.9 million and $1.2 million in 1Q18 and 1Q17, respectively.

In 1Q18, the Vinyl Business Group reported 8% sales growth to $646 million on flat volumes compared to the previous year. This growth reflected improved PVC dynamics globally, mainly associated with higher oil prices and Asian supply constraints.

EBITDA for the Vinyl Business Group was $152 million, compared to $84 million in 1Q17, an increase of 81%. This growth resulted from better PVC market conditions, product mix, efficiencies in our operations, and the benefits of our increased vertical integration across the ethane-to-PVC value chain due to our JV ethylene cracker in Texas, which began operations on February 27, 2017 and during March, and the second quarter of 2017 it was in a start-up mode. EBITDA margin was 23.6% in 1Q18, compared to 13% in 1Q17.

For the quarter, Resins, Compounds and Derivatives revenues and EBITDA increased 7% and 91%, respectively, from 1Q17 levels to $626 million and $143 million, on a 2% decline in volumes to 569 thousand tons. Revenues and EBITDA benefited from better PVC market conditions and also EBITDA improved due to the decline in our PVC production costs as a result of increased vertical integration and its associated benefits in the Vinyl Business Group. Operating income for Resins, Compounds and Derivatives was $98 million, an increase of 100% from the $49 million reported in 1Q17.

In the quarter, PMV sales were $28 million, the majority of which came from our chlorine-caustic soda operations. EBITDA of $10 million was entirely related to PMV's operations and benefitted from the strong pricing conditions for its main products.

FLUENT Business Group (53% and 30% of Mexichem's sales (before eliminations) and EBITDA, respectively, in 2018)

mm US$	First Quarter		
Fluent	2018	2017	% Var.
Sales	947	703	35%
Fluent LatAm	269	272	-1%
Fluent Europe	350	301	16%
Fluent USA & Canada	113	99	14%
Fluent AMEA	39	36	8%
Netafim	177	-	
Intercompany eliminations	(1)	(5)	-80%
Operating income	63	43	47%
EBITDA	103	79	30%

In 1Q18, the Fluent Business Group's sales were $947 million, a 35% increase, compared to the $703 million reported one year ago, mainly driven by the integration of Netafim Ltd. and higher sales in Europe, US/Canada, and AMEA; which grew 16%, 14% and 8%, respectively. Despite a slight decline in LatAm's sales, operations continued to improve in that region, compared to the previous year. On an Organic Basis, the Fluent Business Group's sales would have grown 9.5% compared to 1Q17.

1Q17	mm US$	1Q18		1Q18	1Q18 / 1Q17
Sales		Sales	FX	Total	% Var
272	Fluent LatAm	269	(11)	258	-5%
301	Fluent Europe	350	(42)	308	2%
99	Fluent US / Canada	113	1	114	15%
36	Fluent AMEA	39	(2)	37	3%
-	Netafim	177	-	177	
(5)	Intercompany Eliminations	(1)	-	(1)	-80%
703	Total	947	(55)	892	27%

On a constant currency basis, total sales in the Fluent Business Group would have been $892 million, representing a $55 million positive impact year-over-year, mainly as a result of the of the appreciation of the

Euro (15.4%), the British pound (12.1%), Czech Koruna (22.9%), Polish Zloty (19.8%) and Danish Krone (15.7%) and the Mexican Peso (8.6%) against the US dollar.

EBITDA for 1Q18 was $103 million, a 30% increase compared to 1Q17. EBITDA margin of 10.9% declined 30 bps compared to 11.2% in the 1Q17. This result includes the consolidation of Netafim Ltd. and expenses of $18.8 million related to the CADE charge announced on March 27th, 2018 *(See Financial Liability page 10)* and Netafim Ltd. acquisition related expenses. On an Organic Basis, EBITDA totaled $93 million, an 18% increase, compared to the same quarter of the previous year, with an implied EBITDA margin of 12%.

EBITDA for 1Q18 included a negative impact from currency translation effects of $5 million. Excluding that effect, EBITDA would have totaled $108 million, a 37% increase compared to 1Q17.

Operating income increased 47% to $63 million, but on an Organic Basis it would increase 91% to $82 million.

FLUOR BUSINESS GROUP (11% and 25% of Mexichem's sales (before eliminations) and EBITDA, respectively, in 2018)

mm US$	First Quarter		
Fluor	**2018**	**2017**	**% Var.**
Sales	204	138	48%
Operating income	72	38	89%
EBITDA	84	51	65%

In 1Q18, the Fluor Business Group reported a 48% increase in sales, reflecting significant growth in both the upstream and the downstream parts of the business, due to improved demand for fluorspar mainly coming from the cement industry, and higher "downstream" prices in the U.S. and Europe. We believe that certain first quarter-specific factors increased volumes considerably and prices of some of the main products in our Fluor Business Group. We expect volumes and prices to evolve at a more normalized rate for the remainder of 2018.

EBITDA in 1Q18 grew 65% year-over-year to $84 million, and EBITDA margin was 41%, up from 37% in 1Q17. Operating income was $72 million, an 89% year-over-year increase.

Clarifications

- On December 20, 2017, Mexichem announced the decision of PMV shareholders to not rebuild its VCM production capacity. Therefore, the joint venture's VCM production, and the assets and liabilities associated with ethylene production and auxiliary services associated with VCM and ethylene were classified on that date as discontinued operations in Mexichem's financial statements for the years 2015, 2016 and 2017, since this implies the exit of PMV from the VCM and ethylene businesses in Mexico. Thus, all the impacts and the revenues recognized by PMV related to the incident in the VCM plant are presented as discontinued operations except for the business interruption related to the chlorine-caustic soda plant.

- Additionally, the PMV decision to not rebuild the VCM plant, triggered the asset write-off of the Ethylene plant and auxiliary services related to the VCM and Ethylene plants for $196 million, also presented as discontinued operations, and PMV did not recognize any recovery value for the discontinued assets due to the inability to currently value those assets. PMV is performing an appraisal to determine the recovery value of those assets

- On February 7, 2018, Mexichem announced that it had completed the acquisition of an 80% stake in Netafim, Ltd. First quarter of 2018 results include Netafim's figures as of that date. For comparative purposes Mexichem includes quarterly information showing the 2017 Pro-forma results in Appendix II of this report.

The restructured figures with the abovementioned effects are shown in Appendix I and II.

RECENT EVENTS

For all the news please visit the following webpage http://www.mexichem.com/news/

Conference Call Details

Mexichem will host a conference call to discuss its 1Q18 results on April 26, 2018 at 10:00 am Mexico City /11:00 NY. To access the call, please dial 001-855-817-7630 (Mexico), or 1-888-339-0721 (United States) or 1-412-317-5247 (International). All callers should dial in a minimum of 15 minutes prior to the start time and ask for the Mexichem conference call.

The call will also be available through an audio only live webcast until July 26, 2018. A replay of the call will be available approximately two hours after the end of the call. The replay can be accessed via Mexichem's website at www.mexichem.com

RECONCILIATION SUMMARY BY BUSINESS GROUP

First Quarter 2018 Financial and Operating Highlights

Quarter	Sales			EBITDA			EBITDA Margin		
mm US$	1Q17	1Q18	% Var.	1Q17	1Q18	% Var.	1Q17	1Q18	bps
Vinyl	598	646	8%	84	152	81%	14.0%	23.5%	948
Fluent	703	947	35%	79	103	30%	11.2%	10.9%	(36)
Fluor	138	204	48%	51	84	65%	37.0%	41.2%	422
Energy	-	-	-	-	-	-	-	-	-
Eliminations/ Holding	(45)	(41)	-9%	(11)	(10)	-9%	24.4%	24.4%	(5)
Mexichem Consolidated	**1,394**	**1,756**	**26%**	**202**	**330**	**63%**	**14.5%**	**18.8%**	**430**

1Q17	mm US$	1Q18		1Q18	1Q18 / 1Q17
Sales		Sales	FX	Total	% Var
598	Vinyl	646	(30)	616	3%
703	Fluent	947	(55)	892	27%
1,301	**Ethylene (Vinyl + Fluent)**	**1,593**	**(85)**	**1,508**	**16%**
138	Fluor	204	(4)	200	45%
-	Energy	-	-	-	
(45)	Eliminations / Holding	(41)	-	(41)	-9%
1,394	**Total**	**1,756**	**(90)**	**1,666**	**20%**

1Q17	mm US$	1Q18		1Q18	1Q18 / 1Q17
EBITDA		EBITDA	FX	Total	% Var
84	Vinyl	152	(4)	148	76%
79	Fluent	103	5	108	37%
163	**Ethylene (Vinyl + Fluent)**	**255**	**2**	**257**	**58%**
51	Fluor	84	(1)	83	63%
-	Energy	-	-	-	
(11)	Eliminations / Holding	(10)	-	(10)	-9%
202	**Total**	**330**	**1**	**331**	**64%**

Sub=Subtotal

About Mexichem

Mexichem is a global leader in plastic piping and one of the world's largest chemical and petrochemical companies. The company contributes to global development by delivering an extended portfolio of products to high growth sectors such as infrastructure, housing, agriculture, datacom and water management, among others. With operations in 41 countries, 137 facilities worldwide and more than 22,000 employees, Mexichem has the rights to produce fluorspar in two mines in Mexico, as well as 8 training academies and 17 R&D labs. Operations are divided into three Business Groups: Fluent, Vinyl and Fluor. Mexichem has annual revenues of US$5.8 billion and has been traded on the Mexican Stock Exchange for more than 30 years. The company is member of the Mexican Stock Exchange Sustainability Index and the sustainability emerging markets index FTSE4Good.

Forward-looking Statements

In addition to historical information, this press release contains "forward-looking" statements that reflect management's expectations for the future. The words "anticipate," "believe," "expect," "hope," "have the intention of," "might," "plan," "should" and similar expressions generally indicate comments on expectations. The final results may be materially different from current expectations due to several factors, which include, but are not limited to, global and local changes in politics, the economy, business, competition, market and regulatory factors, cyclical trends in relevant sectors; as well as other factors that are highlighted under the title "Risk Factors" on the annual report submitted by Mexichem to the Mexican National Banking and Securities Commission (CNBV). The forward-looking statements included herein represent Mexichem's views as of the date of this press release. Mexichem undertakes no obligation to revise or update publicly any forward-looking statement for any reason unless required by law."

Mexichem has implemented a Code of Ethics that rules its relationships with its employees, clients, suppliers and general groups. Mexichem's Code of Ethics is available for consulting in the following link: http://www.mexichem.com/Codigo_de_etica.html Additionally, according to the terms contained in the Securities Exchange Act No 42, Mexichem Audit Committee established a mechanism of contact, which allows that any person that knows the unfulfillment of operational and accounting records guidelines and lack of internal controls of the Code of Ethics, from the Company itself or from the subsidiaries that this controls, file a complaint which is anonymously guaranteed. The whistleblower program is facilitated by a third party. The telephone number in Mexico is 01-800-062-12-03. The website is http://www.ethic-line.com/mexichem and contact e-mail is mexichem@ethic-line.com. Mexichem's Audit Committee will be notified of all complaints for immediate investigation.

Mexichem.

INDEPENDENT ANALYSTS

Currently, the following investment firms have analysts who cover Mexichem:

1. -Actinver
2. -Bank of America Merrill Lynch
3. -Banorte-Ixe
4. -Barclays
5. -BBVA Bancomer
6. -Bradesco BBI
7. -BTG Pactual
8. -Citigroup
9. -Credit Suisse
10. -GBM-Grupo Bursátil Mexicano
11. -Grupo Santander
12. -HSBC
13. -Intercam
14. -Invex Casa de Bolsa
15. -Interacciones
16. -ITAU BBA
17. -JP Morgan
18. -Morgan Stanley
19. -Monex
20. -UBS
21. -Vector

INTERNAL CONTROL

Mexichem's bylaws provide the existence of the Audit and Corporate Practices Committees, intermediate corporate organs constituted in agreement with the applicable law to assist the Board of Directors to carry on their functions. Through these committees and the external auditor, it is given reasonable safety that transactions and company's acts are executed and registered in accordance with the terms and parameters set by the Board and directives of Mexichem, the applicable law and different general guidelines, criterion and IFRS (International Financial Reporting Standards).

APPENDIX I: CONSOLIDATED RESTRUCTURED FIGURES OF QUARTERLY RESULTS AS A CONSEQUENCE OF PMV'S DISCONTINUED OPERATIONS.

CHANGES 1Q17

mm US$	Changes reported in 1Q16		
INCOME STATEMENT	1Q17 reported	Disc. operations PMV*	1Q16 adjusted
Net sales	1,395	(1)	1,394
Cost of sales	1,097	(11)	1,086
Gross Profit	**298**	**10**	**308**
Operating expenses	175	12	187
Operating Income	**123**	**(2)**	**121**
Financial cost	45	(1)	44
Equity income of associated entities	-	-	-
Income from continued operations before income tax	**78**	**(1)**	**77**
Cash tax	29	-	29
Deferred tax	(4)	-	(4)
Income Tax	**25**	**-**	**25**
Income from continued operations	**53**	**(1)**	**52**
Discontinued Operations	-	1	1
Net Consolidated Income	**53**	**-**	**53**
Minority Interest	1	-	1
Net Majority Income	**52**	**-**	**52**
EBITDA	**207**	**(5)**	**202**

*Includes Clorados III, the ethylene cracker and other related assets

CHANGES 2Q17

mm US$	Changes reported in 2Q17		
INCOME STATEMENT	2Q17 reported	Disc. operations PMV*	2Q17 adjusted
Net sales	1,464	(1)	1,463
Cost of sales	1,083	(9)	1,074
Gross Profit	**381**	**8**	**389**
Operating expenses	152	13	165
Operating Income	**229**	**(5)**	**224**
Financial cost	75	-	75
Equity income of associated entities	-	-	-
Income from continued operations before income tax	**154**	**(5)**	**149**
Cash tax	40	-	40
Deferred tax	23	-	23
Income Tax	**63**	**-**	**63**
Income from continued operations	**91**	**(5)**	**86**
Discontinued Operations	-	4	4
Net Consolidated Income	**91**	**(1)**	**90**
Minority Interest	25	-	25
Net Majority Income	**66**	**(1)**	**65**
EBITDA	**334**	**(7)**	**327**

*Includes Clorados III, the ethylene cracker and other related assets

CHANGES 3Q17

mm US$	Changes reported in 3Q17		
INCOME STATEMENT	**3Q17 reported**	**Disc. operations PMV***	**3Q17 adjusted**
Net sales	1,505	(1)	1,504
Cost of sales	1,137	(7)	1,130
Gross Profit	**368**	**6**	**374**
Operating expenses	172	1	173
Operating Income	**196**	**5**	**201**
Financial cost	44	-	44
Equity income of associated entities	(1)	-	(1)
Income from continued operations before income tax	**153**	**5**	**158**
Cash tax	34	-	34
Deferred tax	28	-	28
Income Tax	**62**	**-**	**62**
Income from continued operations	**91**	**5**	**96**
Discontinued Operations	1	(5)	(4)
Net Consolidated Income	**92**	**-**	**92**
Minority Interest	30	-	30
Net Majority Income	**62**	**-**	**62**
EBITDA	**297**	**3**	**300**

*Includes Clorados III, the ethylene cracker and other related assets

APPENDIX II: Mexichem SAB de CV and Subsidiaries Consolidated 2017 Pro-Forma Balance Sheet and Income Statement including Netafim Ltd. Acquisition

Mexichem SAB de CV and Subsidiaries
Consolidated Balance Sheet Pro Forma 2017
Netafim Acquisition

USD in million	Pro-Forma March 2017				Pro-Forma June 2017			
Balance sheet	March 2017 reported	Netafim March 2017 IFRS	Acquisition Adjustment	March 2017 Pro-forma	June 2017 reported	Netafim June 2017 IFRS	Acquisition Adjustment	June 2017 Pro-forma
Current Assets								
Cash and Cash equivalents	597	26	(225)	398	735	33	(225)	543
Net Account Receivable	1,055	230		1,285	1,183	259		1,442
Other current assets	1,103	197		1,300	1,127	203		1,330
Total Current Assets	**2,755**	**453**	**(225)**	**2,983**	**3,045**	**495**	**(225)**	**3,315**
Long term assets	5,765	160	1,243	7,168	5,791	165	1,248	7,204
Total Assets	**8,520**	**613**	**1,018**	**10,151**	**8,836**	**660**	**1,023**	**10,519**
Current Liabilities								
Bank loans and current portion of long-term debt	62	28	200	290	52	31	200	283
Suppliers and letters of credit of suppliers	1,392	135		1,527	1,479	153		1,632
Other current liabilities	590	107		697	647	103		750
Total Current Liabilities	**2,044**	**270**	**200**	**2,514**	**2,178**	**287**	**200**	**2,665**
Bank loans and long-term debt	2,253	85	1,000	3,338	2,270	89	1,000	3,359
Long-term other liabilities	515	58	(38)	535	574	61	(38)	597
Total Liabilities	**4,812**	**413**	**1,162**	**6,387**	**5,022**	**437**	**1,162**	**6,621**
Capital stock	1,755	184	(184)	1,755	1,755	184	(184)	1,755
Retained earnings and Other comprehensive income	1,014	15		1,029	1,085	38		1,123
Controlling interest	**2,769**	**199**	**(184)**	**2,784**	**2,840**	**222**	**(184)**	**2,878**
Non-controlling interest	939	1	40	980	974	1	45	1,020
Total stockholders' equity	**3,708**	**200**	**(144)**	**3,764**	**3,814**	**223**	**(139)**	**3,898**

USD in million	Pro-Forma September 2017				Pro-Forma December 2017			
Balance sheet	September 2017 reported	Netafim September 2017 IFRS	Acquisition Adjustment	September 2017 Pro-forma	December 2017 reported	Netafim December 2017 IFRS	Acquisition Adjustment	December 2017 Pro-forma
Current Assets								
Cash and Cash equivalents	740	35	(225)	550	1,900	44	(1,225)	719
Net Account Receivable	1,137	236		1,373	975	224		1,199
Other current assets	1,152	234		1,386	1,078	224		1,302
Total Current Assets	**3,029**	**505**	**(225)**	**3,309**	**3,953**	**492**	**(1,225)**	**3,220**
Long term assets	5,759	166	1,248	7,173	5,807	163	1,249	7,219
Total Assets	**8,788**	**671**	**1,023**	**10,482**	**9,760**	**655**	**24**	**10,439**
Current Liabilities								
Bank loans and current portion of long-term debt	53	47	200	300	45	21	200	266
Suppliers and letters of credit of suppliers	1,426	144		1,570	1,362	142		1,504
Other current liabilities	600	105		705	723	105		828
Total Current Liabilities	**2,079**	**296**	**200**	**2,575**	**2,130**	**268**	**200**	**2,598**
Bank loans and long-term debt	2,248	85	1,000	3,333	3,210	85		3,295
Long-term other liabilities	615	65	(38)	642	739	65	(38)	766
Total Liabilities	**4,942**	**446**	**1,162**	**6,550**	**6,079**	**418**	**162**	**6,659**
Capital stock	1,755	184	(184)	1,755	1,755	184	(184)	1,755
Retained earnings and Other comprehensive income	1,141	41		1,182	1,048	53		1,101
Controlling interest	**2,896**	**225**	**(184)**	**2,937**	**2,803**	**237**	**(184)**	**2,856**
Non-controlling interest	950	-	45	995	878	-	46	924
Total stockholders' equity	**3,846**	**225**	**(139)**	**3,932**	**3,681**	**237**	**(138)**	**3,780**

Mexichem SAB de CV and Subsidiaries
Consolidated Income Statement Pro Forma 2017
Netafim Aquisition

USD in million	Pro-Forma 1Q17			Pro-Forma 2Q17			
Income Statement	1Q17 reported	Netafim 1Q17 IFRS	1Q17 Pro-forma	2Q17 reported	Netafim 2Q17 IFRS	2Q17 Pro-forma	January- June 2017
Net sales	1,394	227	1,621	1,463	276	1,739	3,360
Cost of sales	1,086	154	1,240	1,074	188	1,262	2,502
Gross Profit	**308**	**73**	**381**	**389**	**88**	**477**	**858**
Operating expenses	187	47	234	165	51	216	450
Operating Income	**121**	**26**	**147**	**224**	**37**	**261**	**408**
Financial cost	44	6	50	75	5	80	130
Equity income of associated entities	(0)	-	(0)	(0)	-	(0)	(1)
Income from continued operations before income tax	**77**	**20**	**97**	**149**	**32**	**181**	**279**
Cash tax	29	5	34	40	7	47	81
Deferred tax	(5)	-	(5)	23	-	23	18
Income Tax	**24**	**5**	**29**	**63**	**7**	**70**	**99**
Income from continued operations	**53**	**15**	**68**	**86**	**25**	**111**	**180**
Discontinued Operations	1	-	1	4	-	4	5
Net Consolidated Income	**54**	**15**	**69**	**90**	**25**	**115**	**185**
Minority Interest	1	3	4	25	5	30	34
Net Majority Income	**53**	**12**	**65**	**65**	**20**	**85**	**150**
EBITDA	**202**	**34**	**236**	**327**	**47**	**374**	**610**

USD in million	Pro-Forma 3Q17				Pro-Forma 4Q17			Pro-Forma 2017		
Income Statement	3Q17 reported	Netafim 3Q17 IFRS	3Q17 Pro-forma	January-September 2017	4Q17 reported	Netafim 4Q17 IFRS	4Q17 Pro-forma	2017 reported	Netafim 2017 IFRS	2017 Pro-forma
Net sales	1,504	199	1,703	5,063	1,468	248	1,716	5,829	950	6,779
Cost of sales	1,130	139	1,269	3,771	1,086	169	1,255	4,376	650	5,026
Gross Profit	**374**	**60**	**434**	**1,292**	**382**	**79**	**461**	**1,453**	**300**	**1,753**
Operating expenses	173	46	219	669	219	59	278	744	203	947
Operating Income	**201**	**14**	**215**	**623**	**163**	**20**	**183**	**709**	**97**	**806**
Financial cost	44	6	50	180	13	5	18	176	22	198
Equity income of associated entities	(1)	-	(1)	(2)	(1)	-	(1)	(3)	-	(3)
Income from continued operations before income tax	**158**	**8**	**166**	**445**	**150**	**15**	**166**	**536**	**75**	**611**
Cash tax	34	3	37	119	7	4	11	110	19	129
Deferred tax	28	-	28	47	20	-	20	66	-	66
Income Tax	**62**	**3**	**65**	**166**	**27**	**4**	**31**	**176**	**19**	**195**
Income from continued operations	**96**	**5**	**101**	**279**	**123**	**11**	**135**	**360**	**56**	**416**
Discontinued Operations	(4)	-	(4)	1	(145)		(145)	(144)	-	(144)
Net Consolidated Income	**92**	**5**	**97**	**280**	**(22)**	**11**	**(10)**	**216**	**56**	**272**
Minority Interest	30	1	31	65	(36)	2	(34)	20	11	32
Net Majority Income	**62**	**4**	**66**	**215**	**14**	**9**	**24**	**195**	**45**	**240**
EBITDA	**300**	**21**	**321**	**931**	**277**	**31**	**308**	**1,106**	**133**	**1,239**