

Income and Cash Flows from Operating Activities

(US\$ millions)

	Q1	Q2	Q3	Q4	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Revenue	460	461	520	668	2,108	1,658	1,719	1,420	1,042	1,192	1,100	734	766	1,343
Cost of sales and operating expenses	(293)	(308)	(318)	(389)	(1,308)	(1,206)	(1,285)	(1,034)	(776)	(954)	(795)	(728)	(749)	(975)
Depreciation and amortization	(24)	(24)	(31)	(28)	(107)	(91)	(79)	(96)	(111)	(113)	(110)	(112)	(107)	(117)
Interest expense	(11)	(11)	(12)	(11)	(45)	(41)	(31)	(39)	(29)	(32)	(32)	(25)	(22)	(32)
Interest and other income	3	4	4	(0)	10	10	7	14	10	19	16	14	26	34
Unusual items, net ¹	26	-	-	-	26	(58)	-	(179)	(86)	(11)	-	(69)	-	-
Income tax recovery (expense)	(45)	(39)	(49)	(68)	(201)	(106)	(95)	(85)	(27)	(30)	(34)	36	18	(51)
NET INCOME (LOSS)	115	82	113	172	483	166	236	1	23	71	145	(150)	(68)	202
Add (deduct):														
Depreciation and amortization	24	24	31	28	107	91	79	96	111	113	110	112	107	117
Future income taxes	(1)	16	9	22	47	49	47	45	8	22	26	(28)	(1)	41
Non-cash unusual items ²	(26)	-	-	-	(26)	17	-	170	88	-	-	69	-	-
Other, net ²	1	7	9	(4)	12	2	10	17	15	13	16	13	10	5
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE UNDERNOTED	113	129	162	218	623	325	372	329	245	219	297	16	48	365
Changes in non-cash working capital and utilization of prepaid natural gas	(93)	14	(6)	(69)	(154)	38	(39)	31	(54)	157	(81)	(9)	23	(19)
CASH FLOWS FROM OPERATING ACTIVITIES	20	143	156	150	469	363	333	360	191	376	216	7	71	346
Increase (decrease) in cash position	(66)	81	91	91	196	(51)	(78)	(134)	89	106	74	(136)	(204)	108
Operating income (loss)	143	129	170	252	693	319	356	290	155	125	195	(106)	(90)	251
Income before unusual items (after-tax)	89	82	113	172	457	224	236	181	109	82	145	(81)	(68)	202
Adjusted EBITDA ³	167	153	201	279	800	452	434	386	266	238	305	6	17	368

¹ Unusual items, net includes Kitimat closure costs (2005), adjustment to future income tax related to change in Trinidad tax legislation (2006/2005), asset restructuring charges (2005, 2003, 2002, 2001 and 1999), writedown of property, plant and equipment (2003, 1999 and 1996) and site restoration

² Other, net includes stock-based compensation, other non-cash items and other cash payments related to operating activities.

³ Adjusted EBITDA is a non-GAAP measure. Refer to page 31 of our 2006 Annual Report for a reconciliation to the most comparable GAAP measure.

Consolidated Balance Sheets

(US\$ millions)

	Q1	Q2	Q3	Q4	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
ASSETS														
Cash and cash equivalents	93	174	265	355	355	159	210	288	421	332	226	152	288	492
Receivables	309	288	319	366	366	297	293	221	201	135	286	227	202	246
Inventories	166	163	164	245	245	140	142	127	119	100	140	73	71	89
Prepaid expenses	12	19	20	24	24	13	17	15	12	9	11	10	9	12
Current assets	580	644	767	990	990	609	662	651	753	576	663	462	570	839
Property, plant and equipment	1,381	1,378	1,367	1,353	1,353	1,396	1,367	1,320	981	1,032	1,046	1,114	1,141	1,065
Other assets	100	110	107	101	101	101	96	111	86	85	94	68	88	69
TOTAL ASSETS	2,061	2,132	2,241	2,443	2,443	2,106	2,125	2,082	1,820	1,693	1,803	1,644	1,799	1,973
LIABILITIES AND SHAREHOLDERS' EQUITY														
Accounts payable and accrued liabilities	176	216	242	309	309	235	231	178	136	110	132	113	107	188
Current maturities on other long-term liabilities	17	19	22	17	17	10	10	12	6	5	5	10	9	5
Current maturities on long-term debt	14	14	14	14	14	14	258	21	-	150	-	-	-	-
Current liabilities	207	249	278	340	340	259	499	211	142	265	137	123	116	193
Long-term debt	487	480	480	473	473	487	351	756	547	250	399	399	399	398
Other long-term liabilities	73	71	73	69	69	79	60	67	50	79	80	68	50	63
Future income tax liabilities	304	321	329	352	352	331	266	261	173	164	142	98	126	128
Total liabilities	1,071	1,121	1,160	1,234	1,234	1,156	1,176	1,296	912	758	758	688	691	782
Shareholders' equity	990	1,011	1,081	1,209	1,209	950	949	786	908	935	1,045	956	1,108	1,191
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,061	2,132	2,241	2,443	2,443	2,106	2,125	2,082	1,820	1,693	1,803	1,644	1,799	1,973
Total capitalization	1,491	1,505	1,575	1,696	1,696	1,450	1,558	1,564	1,455	1,335	1,444	1,355	1,507	1,589

Financial Metrics

(all financial metrics are quoted in US\$ terms)

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Year end share price	27.37	18.74	18.26	11.23	8.38	5.54	6.44	2.63	5.06	7.93
Diluted net income (loss) per share	4.41	1.40	1.92	0.01	0.18	0.46	0.85	(0.87)	(0.39)	1.10
Diluted income before unusual items (after-tax) per share	4.18	1.89	1.92	1.44	0.85	0.52	0.85	(0.47)	(0.39)	1.10
Cash flow per share ¹	5.71	2.76	3.06	2.68	1.94	1.42	1.74	0.09	0.27	1.99
Adjusted EBITDA per share	7.33	3.83	3.57	3.14	2.10	1.54	1.79	0.03	0.10	2.01
Book value per share	11.43	8.36	7.91	6.55	7.23	7.13	6.50	5.52	6.39	6.79
Price to earnings ²	6.55	9.92	9.36	7.64	9.74	10.45	7.57	n.a.	n.a.	7.22
Price to cash flow	4.79	6.80	5.92	4.18	4.34	3.91	3.70	28.30	18.49	3.99
Price to EBITDA	3.73	4.89	5.11	3.57	3.99	3.59	3.59	78.90	52.01	3.95
Price to book value per share	2.39	2.24	2.31	1.72	1.16	0.78	0.99	0.48	0.79	1.17
Dividends per share	0.49	0.41	0.28	0.47	0.10	-	-	-	-	-
Dividend yield (%)	2.2%	2.4%	2.1%	4.8%	1.3%	-	-	-	-	-
Distributions per share	2.19	1.52	0.98	1.20	0.54	1.22	0.36	-	-	0.68
Market value per tonne produced (US\$ per tonne)	525	397	404	287	185	136	172	85	187	273
Production per share (US gallons per share)	16.79	15.12	14.85	12.70	14.95	11.54	11.73	10.26	8.93	9.21
Liquidity Ratios										
Quick ratio	2.19	1.81	1.04	2.48	4.46	1.80	3.81	3.16	4.32	3.89
Current ratio	2.91	2.35	1.33	3.08	5.30	2.17	4.83	3.75	4.93	4.35
Working capital (US\$ millions)	650	350	163	439	611	311	526	339	454	647
Profitability Ratios										
Return on equity (ROE)	42.0%	24.0%	27.2%	21.3%	11.7%	8.3%	14.5%	-7.9%	-6.0%	17.5%
Return on capital employed (ROCE)	25.0%	14.0%	16.0%	14.0%	8.8%	6.4%	10.7%	-4.3%	-3.3%	13.7%
Debt Ratios										
Asset coverage	5.02	4.20	3.49	2.68	3.33	4.24	4.52	4.12	4.51	4.95
Adjusted EBITDA interest coverage	17.94	9.17	7.92	6.55	6.95	7.25	9.39	0.14	0.39	10.64
Debt to capitalization	29%	35%	39%	50%	38%	30%	28%	29%	26%	25%
Net debt to capitalization	10%	26%	30%	38%	12%	7%	14%	21%	9%	-9%
Net debt (US\$ millions)	132	342	399	490	126	67	173	247	111	(94)

Definitions

Adjusted EBITDA = Net income (loss) before interest expense, interest and other income, income taxes, depreciation and amortization and unusual items

Quick Ratio = (Current Assets - Inventories) ÷ Current Liabilities

Current Ratio = Current Assets ÷ Current Liabilities

ROE = Income (loss) before unusual items ÷ Average Shareholders' Equity

ROCE = Income (loss) before unusual items and interest expense after income tax ÷ Average Capital Employed (Capital Employed = Total Assets less plant and equipment under construction or development less current non-interest bearing liabilities)

Asset Coverage = Total Assets ÷ Long-Term Debt

Adjusted EBITDA Interest Coverage = Adjusted EBITDA ÷ Interest Expense (including capitalized interest)

Debt to Capitalization = Long-Term Debt ÷ Total Capitalization

Net Debt to Capitalization = (Long-Term Debt - Cash and Cash Equivalents) ÷ (Total Capitalization - Cash and Cash Equivalents)

Net Debt = Long-Term Debt (including current portion) - Cash and Cash Equivalents

¹ Cash flow from operating activities before changes in non-cash working capital and the utilization of prepaid natural gas.

² Calculated as the year-end share price dividend by diluted income before unusual items (after-tax).

Note: Book value per share is based on period ended shares outstanding; all other per share amounts are based on diluted weighted average shares outstanding.

Global Market Position

(thousands of tonnes)

SALES VOLUMES BY REGION	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Europe	1,604	1,528	1,640	1,642	1,983	1,923	1,418	1,359	1,263	1,537
North America	3,085	3,089	3,227	2,389	2,477	2,857	2,479	2,480	2,267	2,271
Asia Pacific	1,777	1,973	2,127	2,113	2,316	2,165	2,390	2,288	2,100	2,368
Latin America	529	461	433	435	444	445	484	466	381	727
Total sales	6,995	7,052	7,427	6,579	7,220	7,390	6,771	6,593	6,011	6,903
Sales of Methanex production	5,310	5,341	5,298	4,933	5,686	5,390	5,815	5,338	4,479	5,049
Sales of Methanex purchased product	1,101	1,174	1,960	1,392	809	1,280	814	1,255	1,532	1,854
Commission sales ¹	584	537	169	254	725	720	142	-	-	-
Total sales	6,995	7,052	7,427	6,579	7,220	7,390	6,771	6,593	6,011	6,903
Total world production	37,392	35,280	33,497	32,094	30,595	30,171	29,420	27,100	26,154	25,913

1

Commission sales volumes include the 36.9% of production from Atlas that we do not own. Commission sales volumes prior to 2004 represent commission sales of production from Titan Methanol Company prior to our acquisition of Titan effective May 1, 2003.

Methanol Price History

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Methanex average realized price (\$/tonne)	328	254	237	224	160	178	166	111	127	195
Methanex average realized price (\$/gallon)	0.99	0.76	0.71	0.67	0.48	0.54	0.5	0.33	0.38	0.59

Methanex Production & Supply Statistics

Methanex Production Data

(thousands of tonnes)

PLAN DATA	OPERATING CAPACITY ¹	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Chile											
Chile I	925	712	844	809	775	895	878	873	684	656	766
Chile II	1,010	850	893	931	983	997	841	1,022	995	1,044	869
Chile III	1,065	970	919	952	946	1,040	1,064	1,017	630	-	-
Chile IV ²	840	654	373	-	-	-	-	-	-	-	-
	3,840	3,186	3,029	2,692	2,704	2,932	2,783	2,912	2,309	1,700	1,635
Trinidad											
Titan ³	850	864	715	740	577	-	-	-	-	-	-
Atlas ⁴	1,073	1,057	895	421	-	-	-	-	-	-	-
	1,923	1,921	1,610	1,161	577	-	-	-	-	-	-
New Zealand											
Waitara Valley	530	404	343	498	149	467	406	525	536	435	510
Motunui DII ⁵	-	-	-	76	198	460	363	490	466	329	401
Motunui DIII ⁵	-	-	-	31	503	697	685	702	548	619	560
Motunui DIV ⁵	-	-	-	483	118	657	679	693	513	405	434
	530	404	343	1,088	968	2,281	2,133	2,410	2,063	1,788	1,905
North America											
Kitimat, BC ⁶	-	-	376	486	449	478	249	243	468	407	480
Other, North America	-	-	-	-	-	-	196	442	503	795	1,072
	-	-	376	486	449	478	445	685	971	1,202	1,552
Total production		5,511	5,358	5,427	4,698	5,691	5,361	6,007	5,343	4,690	5,092
Capacity		6,293	6,293	5,924	5,042	5,930	5,915	6,150	6,424	5,885	6,190
Methanol equivalent capacity utilization ⁷		88%	85%	92%	93%	96%	91%	98%	83%	80%	83%
Number of employees		816	824	888	703	824	792	846	812	871	841
Lost-time incidents		3	1	3	1	2	2	4	7	7	1

¹ Actual operating rates will vary.

² Chile IV commenced operations in June 2005.

³ Methanex acquired the Titan methanol facility on May 1, 2003. 2003 production considers the period May-December.

⁴ The 1.7 million tonne Atlas methanol facility is a joint venture between Methanex and BP. Capacity stated represents the 63.1% owned by Methanex.

⁵ The Motunui facilities with a total capacity of 1.9 million tonnes per year were permanently closed in November 2004.

⁶ The Kitimat facility was permanently closed on November 1, 2005.

⁷ Calculated as total production divided by capacity. For 2005, methanol equivalent capacity utilization has been adjusted for the June 2005 start-up of Chile IV and the November 2005 closing of the Kitimat methanol facility.

Common Share Data

(millions of shares except where noted)

	Q106	Q206	Q306	Q406	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Diluted net income (loss) per share	1.02	0.75	1.05	1.61	4.41	1.40	1.92	0.01	0.18	0.46	0.85	(0.87)	(0.39)	1.10
Diluted income before unusual items (after-tax) per share	0.79	0.75	1.05	1.61	4.18	1.89	1.92	1.44	0.85	0.52	0.85	(0.47)	(0.39)	1.10
Weighted average shares outstanding	112.4	109.7	108.0	106.5	109.1	117.8	121.5	123.0	126.6	154.4	170.3	173.2	174.7	183.8
Period end shares outstanding	110.6	108.6	107.2	105.8	105.8	113.6	120.0	120.0	125.7	131.2	160.8	173.1	173.5	175.6
Canadian Trading Volume	22.8	20.7	22.9	23.7	90.1	136.9	134.5	143.7	95.9	157.4	148.3	70.9	81.4	107.7
US Trading Volume	16.5	23.1	26.9	21.6	88.1	96.1	68.8	54.0	53.0	168.6	110.9	9.2	15.7	23.1
Total Trading Volume	39.3	43.8	49.8	45.3	178.2	233.0	203.4	197.7	148.8	326.0	259.2	80.1	97.1	130.8
NOVA ownership	-	-	-	-	-	-	-	-	46.9	46.9	46.9	46.9	46.9	46.9
Remaining Public Float	110.6	108.6	107.2	105.8	105.8	113.6	120.0	120.0	78.8	84.3	113.9	126.2	126.5	128.6
Trading as a % of public float	36%	40%	46%	43%	168%	205%	170%	165%	189%	387%	228%	63%	77%	102%
Average Share Price (C\$)	23.45	25.19	24.45	27.69	25.18	20.56	17.11	13.74	11.96	9.77	5.43	5.02	10.73	12.56
Average Share Price (US\$)	20.34	22.45	21.78	24.37	22.24	16.96	13.23	9.83	7.62	6.33	3.67	3.37	7.24	9.04
Closing Share Price (C\$)	23.90	23.53	27.09	31.90	31.90	21.86	21.91	14.53	13.30	8.82	9.65	3.95	8.00	11.35
Closing Share Price (US\$)	20.53	21.18	24.34	27.37	27.37	18.74	18.26	11.23	8.38	5.54	6.44	2.63	5.06	7.93
Market Capitalization (000's C\$)	2,644	2,555	2,904	3,375	3,375	2,483	2,629	1,744	1,671	1,157	1,552	684	1,327	1,993
Market Capitalization (000's US\$)	2,271	2,300	2,609	2,896	2,896	2,129	2,191	1,348	1,053	727	1,035	455	878	1,392

Methanol - General Information

Simplified Process Flowchart



Conversion Formulas

Production Conversion (unit of methanol consumed per unit of product by weight; Source: CMAI)

Acetic Acid	0.55	Diethylene Glycol MME	0.30	Methyl Methacrylate	0.39	Triethylene Glycol MME	0.22
Carbon Tetrachloride	0.22	Dimethyl Ether (DME)	1.50	Methylene Chloride	0.41	Single Cell Protein	1.8 - 2.6
Chloroform	0.29	Formaldehyde (37%)	0.45	MTBE	0.36		
Methyl Chloride	0.68	Methyl Acrylate	0.39	Polyacetal	1.50		
DMT (non-retained)	0.38	Methylamines	1.45	Synthetic Gasoline	2.56		

Volume and Mass Conversions

1 Tonne methanol = 332.6 US Gallons = 7.92 Barrels
1 Barrel = 42 US Gallons
1 Gallon = 1 US Gallon or 3.785 Litres
1 Tonne = 1.1025 Short Ton
1 Short Ton = 0.907 Tonne
1 Kilogram = 2.205 Pounds
1 MSCF = 26.8Nm ³
\$100 per tonne methanol = \$0.30 per gallon methanol

Energy Conversions/Definitions

1 MMBTU = 1.055 GJ
1 GJ = 0.948 MMBTU
(assuming approximate caloric value of pipeline gas = 1000 BTU/SCF or 0.039 GJ/Nm ³)
BTU = British Thermal Unit
GJ = Gigajoule = 10 ⁹ joules
MSCF = Thousand Standard Cubic Feet
Nm ³ = Normal Cubic Meter