

Income and Cash Flows from Operating Activities

(US\$ millions)

	2011 ¹	2010 ¹	2009 ¹	2008 ¹	2007 ¹	2006 ¹	2005 ¹	2004 ¹	2003 ¹	2002 ¹
Revenue	2,608	1,967	1,198	2,314	2,266	2,108	1,658	1,719	1,420	1,042
Cost of sales and operating expenses	(2,107)	(1,695)	(1,056)	(1,951)	(1,617)	(1,309)	(1,208)	(1,285)	(1,034)	(776)
Depreciation and amortization	(157)	(137)	(118)	(107)	(112)	(107)	(91)	(79)	(96)	(111)
Inventory write-down	-	-	-	(33)	-	-	-	-	-	-
Finance costs	(62)	(31)	(27)	(38)	(44)	(45)	(41)	(31)	(39)	(29)
Finance income and other expenses	2	2	-	11	27	10	10	7	14	10
Unusual items, net ²	-	22	-	-	-	26	(58)	-	(179)	(86)
Income tax recovery (expense)	(56)	(34)	4	(27)	(147)	(201)	(106)	(95)	(85)	(27)
NET INCOME	228	94	1	169	373	482	164	236	1	23
Add (deduct):										
Depreciation and amortization	157	137	118	107	112	107	91	79	96	111
Income tax expense ³	56	34	1	(39)	(13)	47	66	47	45	8
Income taxes paid	(46)	(9)	-	-	-	-	-	-	-	-
Non-cash unusual items ²	-	(22)	-	-	-	(26)	-	-	170	88
Other, net ⁴	49	69	9	(2)	19	12	7	7	16	15
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE UNDERNOTED	444	303	129	235	491	622	328	369	328	245
Changes in non-cash working capital	36	(120)	(19)	78	33	(154)	29	(39)	31	(54)
CASH FLOWS FROM OPERATING ACTIVITIES	480	183	110	313	524	468	357	330	359	191
Increase (decrease) in cash position	351	194	(159)	(160)	133	196	(51)	(78)	(134)	89
Operating income	344	157	24	223	537	692	359	355	290	155
Income before unusual items attributable to Methanex shareholders (after-tax)	201	74	1	169	373	456	222	236	180	109
Adjusted EBITDA attributable to Methanex shareholders ⁵	427	291	143	313	653	811	454	441	387	286

¹ The 2011 and 2010 figures are reported in accordance with IFRS as the Company's date of transition from Canadian GAAP to IFRS was January 1, 2010. All figures prior to 2010 have not been restated in accordance with IFRS and are reported in accordance with Canadian GAAP.

² Unusual items, net include gain on sale of Kitimat assets (2010), Kitimat closure costs (2005), adjustment to future income tax related to change in Trinidad tax legislation (2006/2005), asset restructuring charges (2005, 2003, 2002 and 2001), writedown of property, plant and equipment (2003) and site restoration expense (2002).

³ Income tax expense is reported in accordance with IFRS for the 2011 and 2010 figures. All figures prior to 2010 represent future income taxes in accordance with Canadian GAAP.

⁴ Other, net includes share-based compensation, finance costs, other non-cash items and other cash payments related to operating activities in accordance with IFRS for the 2011 and 2010 figures. All figures prior to 2010 include share-based compensation, other non-cash items and other cash payments related to operating activities in accordance with Canadian GAAP.

⁵ Adjusted EBITDA is a non-IFRS measure. Refer to page 41 of our 2011 Annual Report for a reconciliation to the most comparable IFRS measure.

Consolidated Statements of Financial Position

(US\$ millions)

	2011 ¹	2010 ¹	2009 ¹	2008 ¹	2007 ¹	2006 ¹	2005 ¹	2004 ¹	2003 ¹	2002 ¹
ASSETS										
Cash and cash equivalents	351	194	170	328	488	355	159	210	288	421
Trade and other receivables	378	320	257	213	402	366	296	293	221	201
Inventories	281	230	172	178	312	245	140	142	127	119
Prepaid expenses	25	26	24	17	21	24	14	17	15	12
Current assets	1,035	770	623	736	1,223	990	609	662	651	753
Property, plant and equipment	2,233	2,259	2,183	1,899	1,523	1,362	1,395	1,367	1,320	981
Other assets	126	112	117	164	116	101	101	96	111	86
TOTAL ASSETS	3,394	3,141	2,923	2,799	2,862	2,453	2,105	2,125	2,082	1,820
LIABILITIES AND SHAREHOLDERS' EQUITY										
Trade, other payables and accrued liabilities	327	259	233	235	466	310	235	231	178	136
Current maturities on long-term debt	251	50	29	15	15	14	14	258	21	-
Current maturities on finance leases	7	11								
Current maturities on other long-term liabilities	18	10	9	8	17	17	10	10	12	6
Current liabilities	603	330	271	258	498	341	259	499	211	142
Long-term debt	652	897	885	767	582	473	487	351	756	547
Finance leases	56	68	-	-	-	-	-	-	-	-
Other long-term liabilities	178	141	97	97	74	69	80	60	69	50
Deferred income tax liabilities	303	296	301	299	339	352	331	266	261	173
Total liabilities	1,792	1,732	1,554	1,421	1,493	1,235	1,157	1,176	1,297	912
Shareholders' equity	1,405	1,253	1,236	1,289	1,333	1,209	948	949	785	908
Non-controlling interests	197	156	133	89	36	9	-	-	-	-
	3,394	3,141	2,923	2,799	2,862	2,453	2,105	2,125	2,082	1,820
Total capitalization	2,505	2,356	2,283	2,160	1,966	1,705	1,449	1,558	1,562	1,455

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Methanol Price History

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Methanex average non-discounted posted price (\$/tonne)	440	356	252	526	451	396	301	266	251	182
Methanex average realized price (\$/tonne)	374	306	225	424	375	328	254	237	224	160
Methanex average realized price (\$/gallon)	1.12	0.92	0.68	1.27	1.13	0.99	0.76	0.71	0.67	0.48

Financial Metrics

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

	2011 ¹	2010 ¹	2009 ¹	2008 ¹	2007 ¹	2006 ¹	2005 ¹	2004 ¹	2003 ¹	2002 ¹
Year end share price (US\$, NASDAQ)	22.82	30.40	19.49	11.24	27.60	27.37	18.74	18.26	11.23	8.38
Diluted net income per share ²	2.06	1.03	0.01	1.78	3.65	4.40	1.39	1.92	0.01	0.18
Diluted income before unusual items (after-tax) per share ²	2.06	0.79	0.01	1.78	3.65	4.17	1.88	1.92	1.88	1.40
Cash flow per share ³	4.78	3.29	1.40	2.49	4.83	5.70	2.78	3.04	2.67	1.94
Adjusted EBITDA per share ²	4.59	3.16	1.54	3.49	6.38	7.32	3.82	3.57	3.14	2.10
Book value per share ²	15.06	13.53	13.42	14.01	13.56	11.43	8.35	7.91	6.54	7.23
Price to cash flow	4.78	9.25	13.93	4.52	5.72	4.80	6.73	6.01	4.21	4.33
Price to book value per share ²	1.51	2.25	1.45	0.80	2.04	2.40	2.25	2.31	1.72	1.16
Dividends per share	0.65	0.62	0.62	0.61	0.55	0.49	0.41	0.28	0.47	0.10
Dividend yield (%) ⁴	2.4%	2.6%	4.5%	2.7%	2.1%	2.2%	2.4%	2.1%	4.8%	1.3%
Liquidity Ratios										
Quick ratio	1.25	1.64	1.66	2.16	1.83	2.18	1.81	1.04	2.48	4.46
Current ratio	1.72	2.34	2.30	2.85	2.46	2.90	2.35	1.33	3.09	5.30
Working capital (US\$ millions)	432	440	352	478	725	649	350	163	440	611
Profitability Ratios										
Modified return on capital employed (ROCE) ²	13.8%	8.0%	1.2%	13.6%	25.4%	25.0%	14.0%	16.0%	14.0%	8.8%
Return on equity (ROE) ²	15.3%	6.0%	0.1%	13.0%	29.5%	42.0%	24.0%	27.2%	21.3%	11.7%
Debt Ratios										
Asset coverage	3.76	3.32	3.20	3.58	4.79	5.04	4.20	3.49	2.68	3.33
Adjusted EBITDA interest coverage ²	7.68	6.69	5.18	8.68	14.75	17.76	10.98	14.00	9.90	9.17
Debt to capitalization	36%	40%	40%	36%	30%	29%	35%	39%	50%	38%
Net debt to capitalization	26%	35%	35%	25%	7%	10%	26%	30%	38%	12%

Definitions

Adjusted EBITDA	=	Net income before finance costs, finance income and other expenses, income tax expense, depreciation and amortization, share-based compensation mark-to-market impact, unusual items, and Adjusted EBITDA associated with the 40% non-controlling interest in the methanol facility in Egypt.
Quick Ratio	=	(Current Assets - Inventories) ÷ Current Liabilities
Current Ratio	=	Current Assets ÷ Current Liabilities
ROCE	=	Income before unusual items and finance costs (after-tax) ÷ average productive capital employed. Average productive capital employed is the sum of average total assets (excluding plants under construction) less the average of current non-interest-bearing liabilities. Average total assets exclude cash held in excess of \$50 million. We use an estimated mid-life depreciated cost base for calculating our average assets in use during the period. The calculation of Modified ROCE includes our 60% share of income, assets and liabilities in the Egypt methanol facility.
ROE	=	Income before unusual items attributable to Methanex shareholders ÷ Average Shareholders' Equity
Asset Coverage	=	Total Assets ÷ Long-Term Debt (including current portion)
Adjusted EBITDA Interest Coverage	=	Adjusted EBITDA ÷ Finance Costs (including capitalized interest)
Debt to Capitalization	=	Long-Term Debt (including current portion) ÷ Total Capitalization
Net Debt to Capitalization	=	(Long-Term Debt (including current portion) - Cash and Cash Equivalents) ÷ (Total Capitalization - Cash and Cash Equivalents)
Net Debt	=	Long-Term Debt (including current portion) - Cash and Cash Equivalents

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² Figures represent amounts attributable to Methanex shareholders.

³ Cash flow from operating activities before changes in non-cash working capital.

⁴ Dividend yield is calculated using the average annual share price.

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

Global Market Position

(thousands of tonnes)

SALES VOLUMES BY REGION	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Sales of produced methanol	3,853	3,540	3,764	3,363	4,569	5,310	5,341	5,298	4,933	5,686
Sales of purchased methanol	2,815	2,880	1,546	2,074	1,453	1,101	1,174	1,960	1,392	809
Commission sales ¹	846	509	638	617	590	584	537	169	254	725
Total sales	7,514	6,929	5,948	6,054	6,612	6,995	7,052	7,427	6,579	7,220
Total world production	49,100	45,049	38,825	39,650	39,512	37,392	35,280	33,497	32,094	30,595

¹ Commission sales volumes commencing in 2011 represent volumes marketed on a commission basis related to the 36.9% of the Atlas methanol facility and 40% of the Egypt methanol facility that we do not own. Commission sales volumes commencing in 2004 represent commission sales of 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.

Methanex Production & Supply Statistics

(thousands of tonnes)

PLANT DATA	OPERATING CAPACITY ¹	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Chile											
Chile I	882	-	-	-	-	613	712	844	809	775	895
Chile II	990	-	159	275	162	286	850	893	931	983	997
Chile III	1,088	554	776	667	926	619	970	919	952	946	1,040
Chile IV ²	840	-	-	-	-	323	654	373	-	-	-
	3,800	554	935	942	1,088	1,841	3,186	3,029	2,692	2,704	2,932
Trinidad											
Titan ³	900	711	891	764	871	861	864	715	740	577	-
Atlas ⁴ (63.1% interest)	1,150	891	884	1,015	1,134	982	1,057	895	421	-	-
	2,050	1,602	1,775	1,779	2,005	1,843	1,921	1,610	1,161	577	-
New Zealand⁵											
Waitara Valley	530	-	-	-	390	435	404	343	498	149	467
Motunui 1	850	-	-	-	-	-	-	-	-	-	-
Motunui 2	850	830	830	822	180	-	-	-	590	819	1,814
	2,230	830	830	822	570	435	404	343	1,088	968	2,281
North America											
Kitimat, BC ⁶	-	-	-	-	-	-	-	376	486	449	478
Medicine Hat ⁷	470	329	-	-	-	-	-	-	-	-	-
	470	329	-	-	-	-	-	376	486	449	478
Egypt											
Egypt ⁷ (60% interest)	760	532	-	-	-	-	-	-	-	-	-
	760	532	-	-	-	-	-	-	-	-	-
Total production	3,847	3,540	3,543	3,663	4,119	5,511	5,358	5,427	4,698	5,691	
Capacity	9,310	7,930	6,750	6,750	6,293	6,293	6,293	5,924	5,042	5,930	
Number of employees	1,042	1,017	895	878	829	816	824	888	703	824	

¹ The annual production capacity for our facilities may be higher than original nameplate capacity as, over time, these figures have been adjusted to reflect ongoing operating efficiencies at these facilities.

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

⁵ The annual production capacity of New Zealand represents the two 0.85 million tonne facilities at Motunui and the 0.5 million tonne facility at Waitara Valley. We recently committed to restart a second Motunui facility in mid-2012, which is supported by a new ten-year natural gas agreement. Due to current distillation capacity constraints at the Motunui site, the combined operating capacity of both plants is approximately 1.5 million tonnes, compared with the combined nameplate capacity of 1.7 million tonnes.

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

⁷ The Egypt methanol facility commenced commercial production in March 2011 and the Medicine Hat facility was restarted in April 2011.

Common Share Data

(millions of shares except where noted)

	2011 ¹	2010 ¹	2009 ¹	2008 ¹	2007 ¹	2006 ¹	2005 ¹	2004 ¹	2003 ¹	2002 ¹
Diluted net income per share ²	2.06	1.03	0.01	1.78	3.65	4.40	1.39	1.92	0.01	0.18
Diluted income before unusual items (after-tax) per share ²	2.06	0.79	0.01	1.78	3.65	4.17	1.88	1.92	1.88	1.40
Weighted average shares outstanding	93.0	92.2	92.1	94.5	101.7	109.1	117.8	121.5	123.0	126.6
Period end shares outstanding	93.2	92.6	92.1	92.0	98.3	105.8	113.6	120.0	120.0	125.7
Canadian Trading Volume	97.8	127.0	139.9	113.6	116.9	90.1	136.9	134.5	143.7	95.9
US Trading Volume	79.5	88.9	126.9	165.9	144.2	88.1	96.1	68.8	54.0	53.0
Average Share Price (US\$)	27.51	24.29	13.65	22.49	25.48	22.24	16.96	13.23	9.83	7.62
Closing Share Price (C\$)	23.32	30.25	20.53	13.70	27.56	31.90	21.86	21.91	14.53	13.30
Closing Share Price (US\$)	22.82	30.40	19.49	11.24	27.60	27.37	18.74	18.26	11.23	8.38
Market Capitalization (000's C\$)	2,175	2,801	1,891	1,261	2,709	3,375	2,483	2,629	1,744	1,671
Market Capitalization (000's US\$)	2,128	2,815	1,795	1,034	2,713	2,896	2,129	2,191	1,348	1,053

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² Figures represent amounts attributable to Methanex shareholders.

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	Methanol-to-Olefins (MTO)	6.60 (Per Propylene)
Methyl Chloride	0.68	Methyl Acetate	0.43	Polyacetal	1.50	Methanol-to-Propylene (MTP)	3.19
DMT (non-retained)	0.38	Methylamines	1.45	Synthetic Gasoline	2.80		
Biodiesel	0.13						

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 = 26.8Nm³
 \$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/Nm³)
 BTU = British Thermal Unit
 GJ = Gigajoule = 10⁹ joules
 MSCF = Thousand Standard Cubic Feet
 Nm³ = Normal Cubic Meter