



**METHANEX**

®

**A Responsible Care® Company**

# Q4-13 Financial Results

January 29, 2014

# Forward-looking Statements & Non-GAAP Measures

Information contained in these materials or presented orally on the earnings conference call, either in prepared remarks or in response to questions, contains forward-looking statements. Actual results could differ materially from those contemplated by the forward-looking statements. For more information, we direct you to our 2012 MD&A and our fourth quarter 2013 MD&A, as well as slide 9 of this presentation.

This presentation also contains certain non-GAAP financial measures that do not have any standardized meaning and therefore are unlikely to be comparable to similar measures presented by other companies. For more information regarding these non-GAAP measures, please see our 2012 MD&A and our fourth quarter 2013 MD&A.

# Q4-13 Industry Highlights

- Demand

- Approximately 2% growth in demand Q4 versus Q3
- Demand growth led by MTO, strong global traditional and energy demand
- China DME demand was steady in the quarter

- Supply constrained globally

- Planned / unplanned maintenance and gas restrictions at a number of world-scale facilities continues to plague the industry, with uncertain timing for resolution
- China domestic production improving in response to higher pricing and lower import availability
- New industry supply started up (Lyondell 0.8 million tonnes / Azmeco 0.7 million tonnes). Azmeco expects to commence methanol exports in the coming months

# Q4-13 Company Highlights

- Record results:
  - Outstanding quarter: \$245 MM Adjusted EDITDA; Adjusted EPS \$1.72
  - Record annual Adjusted Net Income of \$471 million for 2013
  - Record sales volumes for Q4 (2,127 MM tonnes) and 2013 (7,991 MM tonnes)
- Progress on growth initiatives:
  - New Zealand Motunui 2 major refurbishment completed on schedule below budget
  - Geismar 1 equipment fully delivered to site, targeting late 2014 start-up. Geismar 2 progressing, targeting early 2016 start-up.
- Finalized Sale of 10% equity interest in EMethanex to Arab Petroleum Investments Corporation (APICORP)
  - Purchase price of \$110 million or roughly \$1,200/tonne of installed capacity
  - \$62.9 million gain on sale recognized as an increase in shareholders' equity
- Ordered 6 new time-chartered vessels for 2016 delivery with capability of using methanol as a fuel

# Q4-13 Methanol Price

Methanex Average Realized Price (US\$/tonne)



Methanex non-Discounted  
Regional Posted Prices<sup>1</sup>

(US\$ per tonne)	Feb 2014	Jan 2014	Dec 2013	Nov 2013
United States	632	632	632	599
Europe <sup>2</sup>	610	610	539	539
Asia	590	590	550	520

<sup>1</sup> Discounts from our posted prices are offered to customers based on various factors

<sup>2</sup> €450 for Q1 2014 (Q4 2013 - €408) converted to USD

- Higher average realized price of \$493/tonne in Q4
- February posted pricing stable in both USA and Asia

# Q4-13 Financial & Operational Results

- Adjusted EBITDA up 33% vs. Q3; Adjusted EPS up 41% vs. Q3, boosted by higher produced methanol sales volumes and methanol pricing

*\$ millions, except per share amounts and where noted*

	<u>Q4-13</u>	<u>Q3-13</u>	<u>Q4-12</u>
<u>Sales Volumes (000's of tonnes)</u>			
Methanex Produced Methanol <sup>1</sup>	1,190	1,045	1,059
Purchased Methanol	663	715	664
Commission Sales	274	237	176
Total	<u>2,127</u>	<u>1,997</u>	<u>1,899</u>
Methanex avg non-discounted price (\$/tonne)	557	502	450
Average realized price (\$/tonne)	493	438	389
Adjusted EBITDA <sup>2</sup>	245	184	119
Adjusted net income per common share <sup>2</sup>	\$ 1.72	\$ 1.22	\$ 0.64
Diluted net income (loss) per common share	\$ 1.32	\$ 0.90	\$ (1.49)

<sup>1</sup> Methanex Produced Methanol sales volume includes volume produced under tolling arrangement

<sup>2</sup> Non-GAAP measure attributable to Methanex shareholders reflecting Methanex's proportionate interest in its Egypt and Atlas joint ventures. Please refer to our Q4-13 MD&A for further information.

## Production

<i>(000's of tonnes)</i>	<u>Q4-13</u>	<u>Q3-13</u>	<u>Q4-12</u>
New Zealand	400	349	378
Trinidad (Atlas, 63.1% interest)	268	254	180
Trinidad (Titan)	173	128	189
Egypt (Methanex interest*)	159	168	129
Medicine Hat	86	130	132
Chile	108	6	59
<b>Total</b>	<b>1,194</b>	<b>1,035</b>	<b>1,067</b>

- Production was 15% higher than Q3, helped by strong NZ production, completion of the Titan turnaround, somewhat lower Trinidad gas curtailments, and the restart of the Chile I plant.
- Chile production includes volumes produced under tolling arrangement

- New Zealand production was higher in Q4 versus Q3. Site can now produce up to 2.4 million tonnes/year depending on gas composition
  - Waitara Valley plant restart plus additional distillation capacity completed at the beginning of Q4
  - Major refurbishment of 850 kMT Motunui 2 facility completed in early December
- Trinidad production higher in Q4 versus Q3
  - Trinidad gas curtailments improved slightly versus Q3, with lost production due to gas curtailments equal to approximately 7% of capacity
  - Titan experienced a small unplanned outage in Q4 and lost 15,000 tonnes
- Steady Egypt gas supply
  - Lost production due to gas curtailments equal to approximately 5% of capacity
  - Unplanned Q4 outage (MX share of lost production approx. 20,000 tonnes)
- Medicine Hat lost approximately 50,000 tonnes production in Q4
  - Plant is currently operating at high rates
- Chile I facility operated at approximately 50% capacity

## FORWARD-LOOKING INFORMATION WARNING

This Presentation, the Fourth Quarter 2013 Management's Discussion and Analysis ("MD&A") and comments made during the Fourth Quarter 2013 investor conference call contain forward-looking statements with respect to us and our industry. These statements relate to future events or our future performance. All statements other than statements of historical fact are forward-looking statements. Statements that include the words "believes," "expects," "may," "will," "should," "potential," "estimates," "anticipates," "aim," "goal" or other comparable terminology and similar statements of a future or forward-looking nature identify forward-looking statements.

More particularly and without limitation, any statements regarding the following are forward-looking statements: expected demand for methanol and its derivatives, expected new methanol supply or restart of idled capacity and timing for start-up of the same, expected shutdowns (either temporary or permanent) or restarts of existing methanol supply (including our own facilities), including, without limitation, the timing and length of planned maintenance outages, expected methanol and energy prices, expected levels of methanol purchases from traders or other third parties, expected levels, timing and availability of economically priced natural gas supply to each of our plants, capital committed by third parties towards future natural gas exploration and development in the vicinity of our plants, our expected capital expenditures, including, without limitation, those to support natural gas exploration and development for our plants, anticipated operating rates of our plants, expected operating costs, including natural gas feedstock costs and logistics costs, expected tax rates or resolutions to tax disputes, expected cash flows, earnings capability and share price, availability of committed credit facilities and other financing, ability to meet covenants or obtain waivers associated with our long-term debt obligations, including, without limitation, the Egypt limited recourse debt facilities that have conditions associated with upstream natural gas development and the finalization of certain land title registration and related mortgages that require action by Egyptian governmental entities, our shareholder distribution strategy and anticipated distributions to shareholders, commercial viability and timing of, or our ability to execute, future projects, plant restarts, capacity expansions, plant relocations, or other business initiatives or opportunities, including the planned relocation of idle Chile methanol plants to Geismar, Louisiana ("Geismar"), our financial strength and ability to meet future financial commitments, expected global or regional economic activity (including industrial production levels), expected outcomes of litigation or other disputes, claims and assessments, expected actions of governments, government agencies, gas suppliers, courts, tribunals or other third parties, and expected impact on our operations in Egypt or our financial condition as a consequence of civil unrest or actions taken or inaction by the Government of Egypt and its agencies.

We believe that we have a reasonable basis for making such forward-looking statements. The forward-looking statements in this document are based on our experience, our perception of trends, current conditions and expected future developments as well as other factors. Certain material factors or assumptions were applied in drawing the conclusions or making the forecasts or projections that are included in these forward-looking statements, including, without limitation, future expectations and assumptions concerning the following: the supply of, demand for, and price of methanol, methanol derivatives, natural gas, coal, oil and oil derivatives, the success of our natural gas exploration and development in Chile, our ability to procure natural gas feedstock on commercially acceptable terms, operating rates of our facilities, receipt of remaining required permits in connection with our Geismar projects, receipt or issuance of third-party consents or approvals, including, without limitation, governmental registrations of land title and related mortgages in Egypt, governmental approvals related to natural gas exploration rights or rights to purchase natural gas, the establishment of new fuel standards, operating costs including natural gas feedstock and logistics costs, capital costs, tax rates, cash flows, foreign exchange rates and interest rates, the availability of committed credit facilities and other financing, timing of completion and cost of our Geismar projects, global and regional economic activity (including industrial production levels), absence of a material negative impact from major natural disasters, absence of a material negative impact from changes in laws or regulations, absence of a material negative impact from political instability in the countries in which we operate, enforcement of contractual arrangements and ability to perform contractual obligations by customers, natural gas and other suppliers and other third parties, and satisfaction of conditions precedent contained in the Geismar 1 natural gas supply agreement.

However, forward-looking statements, by their nature, involve risks and uncertainties that could cause actual results to differ materially from those contemplated by the forward-looking statements. The risks and uncertainties primarily include those attendant with producing and marketing methanol and successfully carrying out major capital expenditure projects in various jurisdictions, including, without limitation: conditions in the methanol and other industries including fluctuations in the supply, demand for and price of methanol and its derivatives, including demand for methanol for energy uses, the price of natural gas, coal, oil and oil derivatives, the success of natural gas exploration and development activities in southern Chile, our ability to obtain natural gas feedstock on commercially acceptable terms to underpin current operations and future production growth opportunities, the ability to successfully carry out corporate initiatives and strategies, actions of competitors, suppliers and financial institutions, conditions within the natural gas delivery systems that may prevent delivery of our natural gas supply requirements, our ability to meet timeline and budget targets for our Geismar projects, including cost pressures arising from labour costs, competing demand for natural gas, especially with respect to domestic needs for gas and electricity in Chile and Egypt, actions of governments and governmental authorities, including, without limitation, the implementation of policies or other measures that could impact the supply of or demand for methanol or its derivatives, changes in laws or regulations, import or export restrictions, anti-dumping measures, increases in duties, taxes and government royalties, and other actions by governments that may adversely affect our operations or existing contractual arrangements, world-wide economic conditions, satisfaction of conditions precedent contained in the Geismar 1 natural gas supply agreement, and other risks described in our 2012 Management's Discussion and Analysis and this Fourth Quarter 2013 Management's Discussion and Analysis.

Having in mind these and other factors, investors and other readers are cautioned not to place undue reliance on forward-looking statements. They are not a substitute for the exercise of one's own due diligence and judgment. The outcomes anticipated in forward-looking statements may not occur and we do not undertake to update forward-looking statements except as required by applicable securities laws.