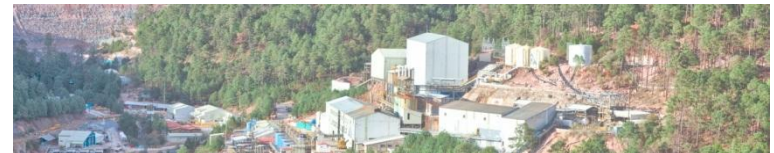




## Preliminary Results to year ending 31 Dec 2011

March 6, 2012

## Strengthening our Precious Metals Position





# Disclaimer

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This document includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will", or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include, but are not limited to, statements regarding the Fresnillo Group's intentions, beliefs or current expectations concerning, among other things, the Fresnillo Group's results of operations, financial position, liquidity, prospects, growth, strategies and the silver and gold industries.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the actual results of the Fresnillo Group's operations, financial position and liquidity, and the development of the markets and the industry in which the Fresnillo Group operates, may differ materially from those described in, or suggested by, the forward-looking statements contained in this document. In addition, even if the results of operations, financial position and liquidity, and the development of the markets and the industry in which the Fresnillo Group operates are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. A number of factors could cause results and developments to differ materially from those expressed or implied by the forward-looking statements including, without limitation, general economic and business conditions, industry trends, competition, commodity prices, changes in regulation, currency fluctuations (including the US dollar and Mexican Peso exchange rates), the Fresnillo Group's ability to recover its reserves or develop new reserves, including its ability to convert its resources into reserves and its mineral potential into resources or reserves, changes in its business strategy, political and economic uncertainty.

Forward-looking statements may, and often do, differ materially from actual results. Any forward-looking statements in this document speak only as of the date of this document, reflect the Fresnillo Group's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Fresnillo Group's operations, results of operations, growth strategy and liquidity. Investors should specifically consider the factors identified in this document which could cause actual results to differ before making an investment decision. Subject to the requirements of the Prospectus Rules, the Disclosure and Transparency Rules and the Listing Rules or applicable law, the Fresnillo Group explicitly disclaims any obligation or undertaking publicly to release the result of any revisions to any forward-looking statements in this document that may occur due to any change in the Company's expectations or to reflect events or circumstances after the date of this document.



# Agenda

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- 2011 Highlights Jaime Lomelín CEO
- Operations Review Jaime Lomelín CEO
- Exploration Jaime Lomelín CEO
- Financial Review Mario Arreguín CFO
- Conclusions Jaime Lomelín CEO
- Q&A



# 2011 Operational Highlights

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- Record attributable gold production of 448.9 k oz (up 21.6%) due to ramp-up at Soledad-Dipolos and higher throughput at Herradura
- Stable silver production (41.8 m oz) benefited from the start-up of Saucito
- Noche Buena to commence production in March 2012
- Conclusion of: 1) expansion at Soledad-Dipolos, 2) construction of the San Carlos Shaft at Fresnillo, and 3) expansion of milling capacity and sinking of the shaft at Ciénega
- 23% increase in silver resources (1.8 billion oz) and 17% in gold resources (23.5 m oz)
- Our goal is to produce 65 m oz of silver and an increased target of 500,000 oz of gold per year by 2018, with 650 m oz of silver and 5 m oz of gold in reserves at that time.



# 2011 Financial Highlights

---

- Profit and Loss:
  - Adjusted revenue<sup>1</sup> of US\$2,307.4 million, up 57%
  - Operating Profit of US\$1,36.9 million, up 63%
  - EBITDA<sup>2</sup> of US\$1,538 million, up 63% (EBITDA margin of 70%)
  - Profit for the year of US\$1,038.6 million, up 39% (including a US\$114.5 million Silverstream revaluation effect)
  - EPS of US\$1.26 per share, up 36%

[1] Adjusted revenue is revenue as disclosed in the income statement adjusted to exclude hedging effects and treatment and refining charges.

[2] Earnings before interest, taxes, depreciation and amortization (EBITDA) is calculated as gross profit plus depreciation less administrative and exploration expenses.



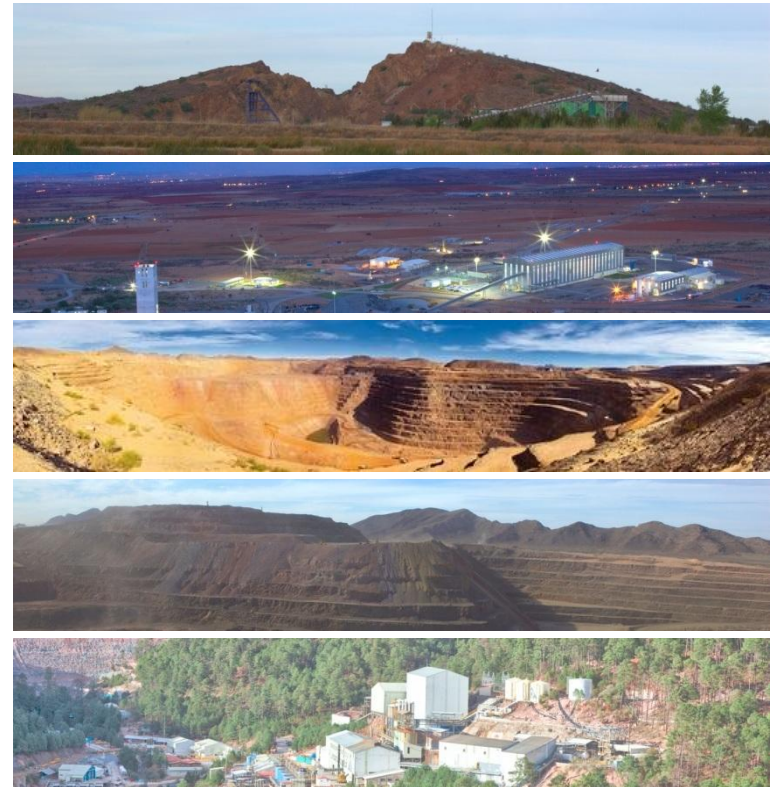
# 2011 Financial Highlights

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- Cash Flow
  - Net Cash from operations activities US\$1,249.2 million, up 78%
  - US\$179 million capital invested in exploration (including US\$45 million which were capitalized)
  - US\$423 million invested in CAPEX (not including capitalized investment in exploration)
  - US\$787 million paid in dividends
  - Cash at 31/Dec/2011 US\$ 685 million
- Dividend
  - Final dividend declared of 40 US cents per ordinary share brings total for 2011 to 103 US cents per ordinary share.

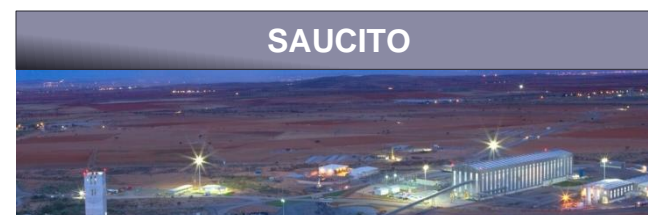


# Operations Review





# Silver - Fresnillo District



		2011	2010	Change	%	2011	2010*	Change	%
<b>Attributable production</b>									
Silver	m oz	30.3	35.9	(5.6)	(15.6)	5.9	1.2	4.7	N/M
Gold	k oz	26.2	25.0	1.3	5.0	33.5	6.3	27.2	N/M
Lead	k t	13.4	12.2	1.1	9.4	1.7	0.3	1.5	N/M
Zinc	kt	12.6	12.2	0.4	3.4	1.2	0.1	1.0	N/M
<b>Adjusted Revenue</b>									
Adj Revenue	US\$ m	1,052.7	783.5	269.2	34.4	234.7		234.7	N/M
Contribution	%	45.6	53.2			10.2			
<b>Costs</b>									
Cost per tonne	US\$/t	43.0	40.9	2.1	5.1	51.8			
Cost per Ag oz	US\$/oz	5.2	3.3	2.0	60.2	0.8			
<b>Gross Profit</b>									
Gross Profit	US\$ m	790.9	576.8	214.0	37.1	136.3		136.3	N/M
Contribution	%	51.1	59.2			8.8			

[\*] 2010 figures are from the development ore processed at Fresnillo mill.





# Gold - Herradura District



		HERRADURA				SOLEDAD-DIPOLOS			
		2011	2010	Change	%	2011	2010	Change	%
<b>Attributable production</b>									
Gold	k oz	183.5	163.0	20.5	12.6	88.8	61.4	27.4	44.7
Silver	m oz	0.2	0.2	0.0	5.1	0.1	0.0	0.0	72.4
<b>Adjusted Revenue</b>									
Adj Revenue	US\$ m	521.9	366.8	155.1	42.3	248.1	137.2	110.9	80.8
Contribution	%	22.6	24.9			10.8	9.3		
<b>Costs</b>									
Cost per tonne	US\$/t	6.0	5.6	0.4	6.2	5.8	5.7	0.1	2.0
Cost per Au oz	US\$/oz	362.2	322.3	39.9	12.4	478.2	382.2	96.0	25.1
<b>Gross Profit</b>									
Gross Profit	US\$ m	338.0	217.7	120.3	55.2	153.2	84.2	69.0	81.9
Contribution	%	21.8	22.3			9.9	8.6		



# Gold - Ciénega District



		2011	2010	Change	%
<b>Attributable production</b>					
Gold	k oz	116.8	113.4	3.5	3.1
Silver	m oz	1.5	1.2	0.3	23.0
Lead	k t	6.3	6.5	(0.2)	(2.4)
Zinc	kt	9.3	10.1	(0.8)	(7.9)
<b>Adjusted Revenue</b>					
Adj Revenue	US\$ m	250.1	186.4	63.7	34.2
Contribution	%	10.8	12.6		
<b>Costs</b>					
Cost per tonne	US\$/t	73.4	63.2	10.2	16.1
Cost per AU oz	US\$/oz	121.7	172.1	(50.4)	(29.7)
<b>Gross Profit</b>					
Gross Profit	US\$ m	129.6	96.4	33.1	34.4
Contribution	%	8.4	9.9		



# Exploration

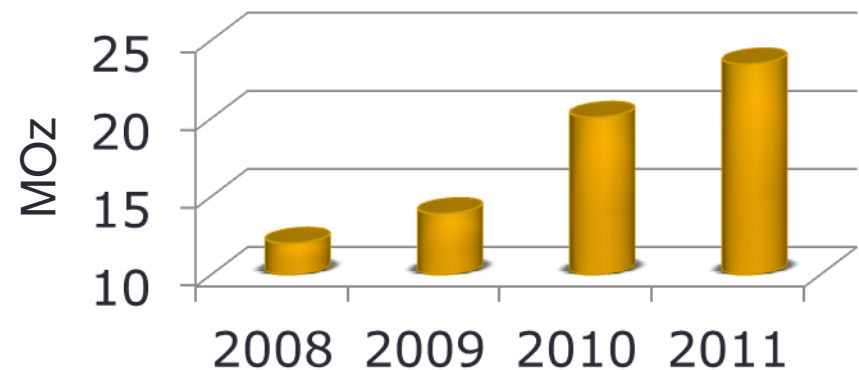




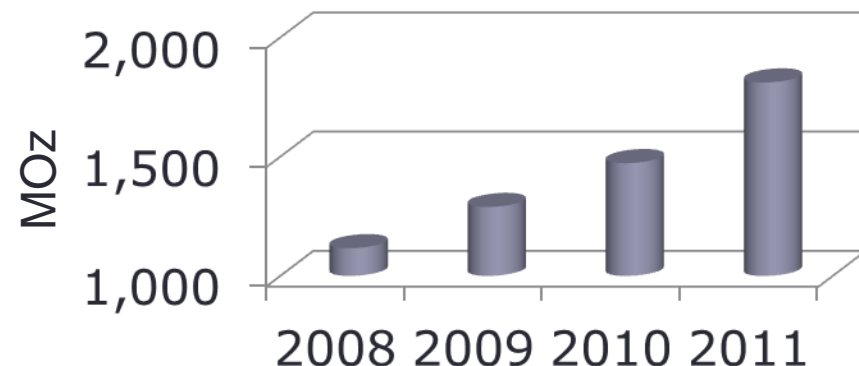
# Resources and Reserves

- Substantial increase in Total Resources (Measured, Indicated and Inferred):
  - Silver 1,811 Moz, up 23%
  - Gold 23.5 Moz, up 17%
- Ten year Reserve Life:
  - Silver 403 Moz, down 8%
  - Gold 4.6 Moz, up 2%
- Our exploration programme grew from 341,265 metres of drilling in 2010 to 509,330 metres in 2011
- Increased our claim holdings from 1.9 million to 2.1 million hectares in Mexico, and from 29,135 to 78,800 hectares in Peru.

## Gold Resources

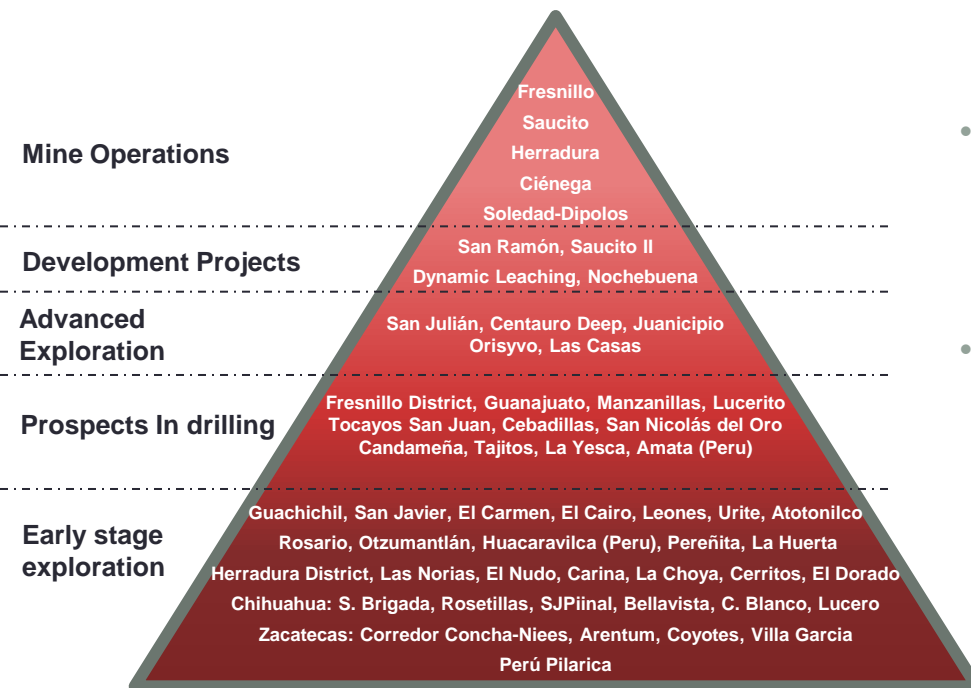


## Silver Resources





# Exploration



- **Fresnillo District:**

- Drilling of new geophysical-geochemical targets was initiated in two areas and totalled 10,434 metres in 15 holes.
- Infill drilling continued to upgrade resources on Juanicipio

- **Herradura District**

- Drilling continued at Centauro pit with 33 holes totalling 30,750 metres, with gold mineralisation persisting to 1,500 metres depth. Mine workings remained on track.

- **Ciénega District**

- In Las Casas additional mineralisation was identified, a new geological model was developed and the scoping study initially planned for 2011 will be conducted in 2012 to evaluate the economic potential of this resource and the better grade zones.
- We continue to drill at veins adjacent and parallel to the Ciénega system and the transversal vein on the east end of the mine.



# Exploration

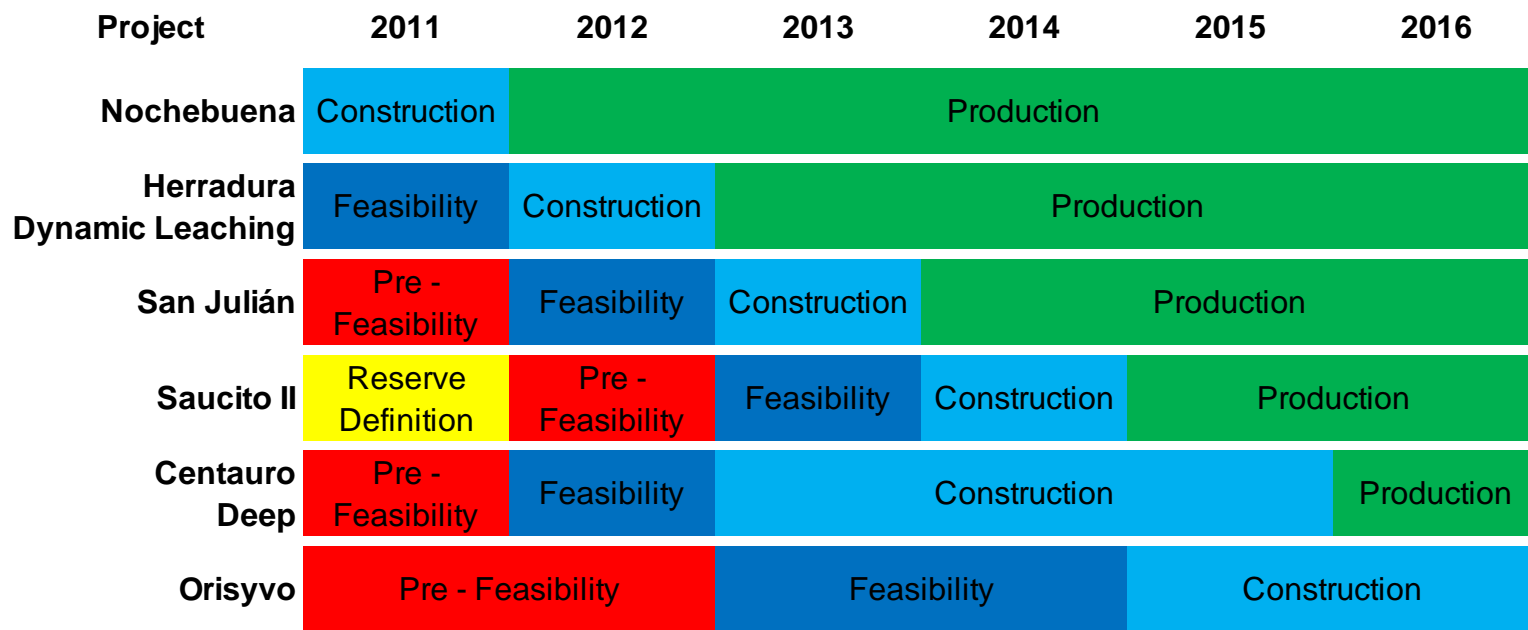
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- San Julián
  - Silver and gold resources both increased from the previous year and three gold-silver veins were discovered. The San Julián ramp was extended to 13,389 metres and 237 metres were constructed on the new Todos Santos adit.
- Orisyvo
  - We drilled 37,580 metres in 51 holes and started construction of a 300 metre exploration adit in 2011 to obtain further samples for metallurgical testing and delineate the ore body at this large gold-bearing porphyry system
- 2012
  - Submit pre-feasibility study at San Julian and initiate construction
  - Continue development and ramp construction at Centauro Deep
  - Submit pre-feasibility study at Juanicipio
  - Define metallurgy and determine mining method at Orisyvo
  - Initiate pre-feasibility study at Las Casas (Ciénega)



# Estimated project delivery

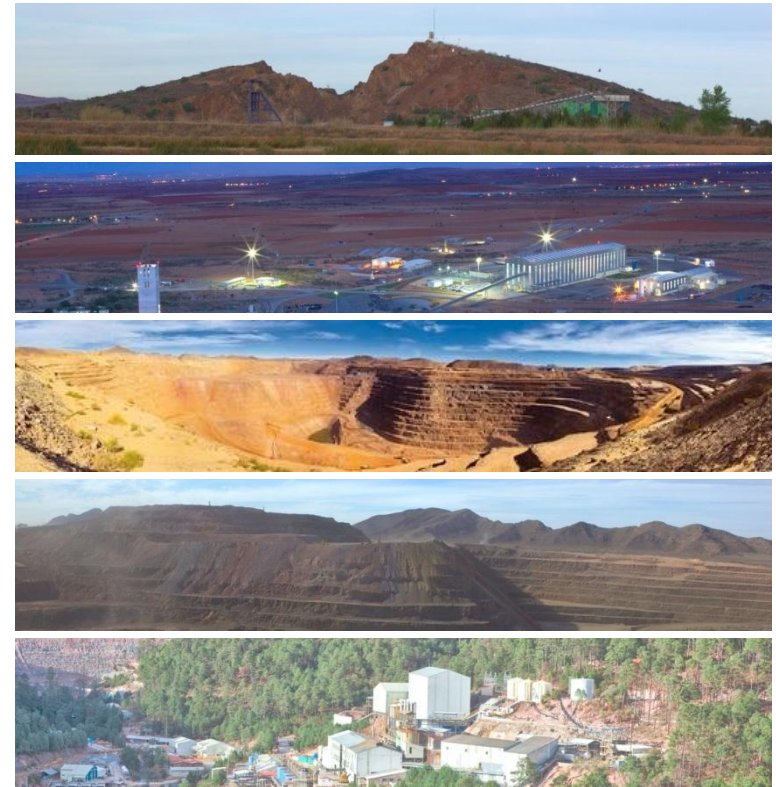
On track to produce 65m oz of silver and new target of 500k oz of gold by 2018







# Financial Review







# Consolidated Income Statement (IFRS)

CONCEPT (US\$ MILLION)	ACCUM DECEMBER				CHANGE	
	2011	%	2010	%	\$	%
ADJUSTED REVENUES	2,307.5		1,473.9		833.5	56.6
HEDGING (METALS)	0.0		0.0		0.0	N/A
TREATMENT AND REFINING CHARGES	(114.8)		(64.4)		(50.4)	78.3
<b>REVENUES</b>	<b>2,192.7</b>	<b>100.0</b>	<b>1,409.6</b>	<b>100.0</b>	<b>783.1</b>	<b>55.6</b>
ADJUSTED PRODUCTION COST	(419.4)	(19.1)	(307.1)	(21.8)	(112.3)	36.6
PROFIT SHARING	(69.1)	(3.2)	(37.7)	(2.7)	(31.4)	83.3
DEPRECIATION	(172.1)	(7.8)	(105.2)	(7.5)	(66.9)	63.5
HEDGING (MXP/USD EXCHANGE RATE)	5.9	0.3	3.0	0.2	2.8	94.3
CHANGE IN INVENTORIES	25.5	1.2	16.8	1.2	8.7	52.0
<b>COST OF SALES</b>	<b>(629.2)</b>	<b>(28.9)</b>	<b>(430.2)</b>	<b>(30.5)</b>	<b>(199.0)</b>	<b>46.3</b>
<b>GROSS PROFIT</b>	<b>1,563.5</b>	<b>71.1</b>	<b>979.4</b>	<b>69.5</b>	<b>584.1</b>	<b>59.6</b>
ADMINISTRATIVE EXPENSES	(31.2)	(1.4)	(22.8)	(1.6)	(8.4)	36.9
CORPORATE EXPENSES	(25.3)	(1.2)	(29.8)	(2.1)	4.5	(15.0)
EXPLORATION EXPENSES	(134.0)	(6.1)	(82.1)	(5.8)	(51.9)	63.2
OTHER INCOME (EXPENSE)	(5.5)	(0.3)	(6.3)	(0.4)	0.8	(12.4)
SELLING EXPENSES	(6.5)	(0.3)	(4.9)	(0.3)	(1.6)	33.5
<b>PROFIT FROM CONTINUING OPERATIONS</b>	<b>1,360.9</b>	<b>61.9</b>	<b>833.5</b>	<b>59.1</b>	<b>527.4</b>	<b>63.3</b>
SILVERSTREAM REVALUATION	159.9	7.3	191.8	13.6	(32.0)	(16.7)
FINANCE INCOME / (EXPENSE)	(1.1)	(0.0)	0.4	0.0	(1.5)	N/A
FOREIGN EXCHANGE	14.7	0.7	(3.3)	(0.2)	18.0	N/A
<b>PROFIT BEFORE INCOME TAX</b>	<b>1,534.4</b>	<b>69.8</b>	<b>1,022.4</b>	<b>72.5</b>	<b>512.0</b>	<b>50.1</b>
INCOME TAX EXPENSE	(495.8)	(22.6)	(273.0)	(19.4)	(222.8)	81.6
<b>PROFIT FOR THE PERIOD</b>	<b>1,038.6</b>	<b>47.2</b>	<b>749.4</b>	<b>53.2</b>	<b>289.2</b>	<b>38.6</b>
ATTRIBUTABLE TO:						
<b>EQUITY SHAREHOLDERS OF THE GROUP</b>	<b>901.75</b>	<b>41.1</b>	<b>665.1</b>	<b>47.2</b>	<b>236.6</b>	<b>35.6</b>
MINORITY INTEREST	136.9	6.2	84.3	6.0	52.6	62.4
	<b>1,038.6</b>	<b>47.4</b>	<b>749.4</b>	<b>53.2</b>	<b>289.2</b>	<b>38.6</b>
<b>EBITDA</b>	<b>1,538.5</b>	<b>70.1</b>	<b>945.0</b>	<b>67.0</b>	<b>593.5</b>	<b>62.8</b>

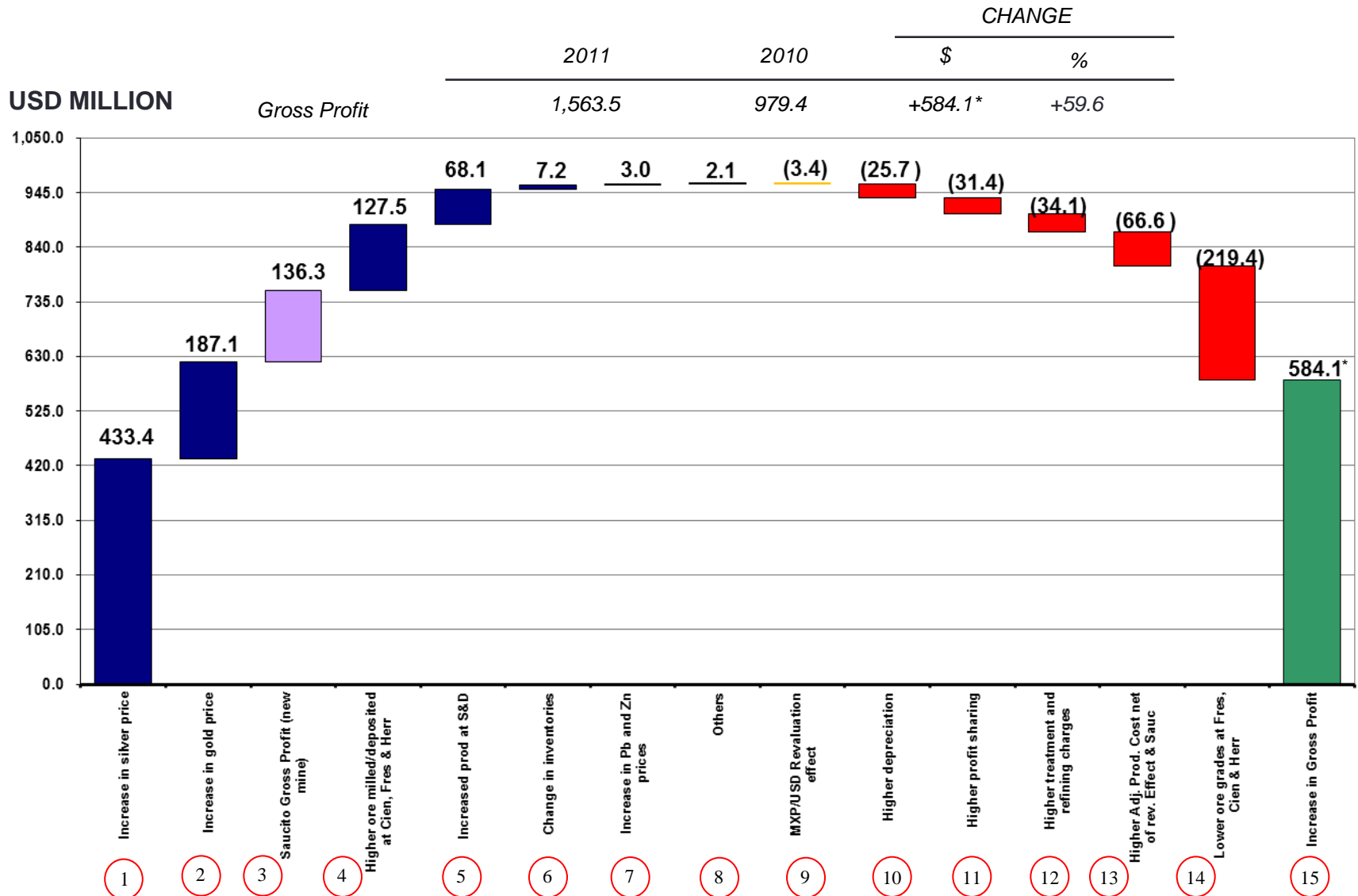


# Consolidated Income Statement without Silverstream Effect (IFRS)

C O N C E P T (US\$ MILLION)	ACCUM DECEMBER				CHANGE	
	2011	%	2010	%	\$	%
ADJUSTED REVENUES	2,307.5		1,473.9		833.5	56.6
HEDGING (METALS)	0.0		0.0		0.0	N/A
TREATMENT AND REFINING CHARGES	(114.8)		(64.4)		(50.4)	78.3
<b>REVENUES</b>	<b>2,192.7</b>	<b>100.0</b>	<b>1,409.6</b>	<b>100.0</b>	<b>783.1</b>	<b>55.6</b>
ADJUSTED PRODUCTION COST	(419.4)	(19.1)	(307.1)	(21.8)	(112.3)	36.6
PROFIT SHARING	(69.1)	(3.2)	(37.7)	(2.7)	(31.4)	83.3
DEPRECIATION	(172.1)	(7.8)	(105.2)	(7.5)	(66.9)	63.5
HEDGING (MXP/USD EXCHANGE RATE)	5.9	0.3	3.0	0.2	2.8	94.3
CHANGE IN INVENTORIES	25.5	1.2	16.8	1.2	8.7	52.0
<b>COST OF SALES</b>	<b>(629.2)</b>	<b>(28.7)</b>	<b>(430.2)</b>	<b>(30.5)</b>	<b>(199.0)</b>	<b>46.3</b>
<b>GROSS PROFIT</b>	<b>1,563.5</b>	<b>71.3</b>	<b>979.4</b>	<b>69.5</b>	<b>584.1</b>	<b>59.6</b>
ADMINISTRATIVE EXPENSES	(31.2)	(1.4)	(22.8)	(1.6)	(8.4)	36.9
CORPORATE EXPENSES	(25.3)	(1.2)	(29.8)	(2.1)	4.5	(15.0)
EXPLORATION EXPENSES	(134.0)	(6.1)	(82.1)	(5.8)	(51.9)	63.2
OTHER INCOME (EXPENSE)	(5.5)	(0.3)	(6.3)	(0.4)	0.8	N/A
SELLING EXPENSES	(6.5)	(0.3)	(4.9)	(0.3)	(1.6)	33.5
<b>PROFIT FROM CONTINUING OPERATIONS</b>	<b>1,360.9</b>	<b>62.1</b>	<b>833.5</b>	<b>59.1</b>	<b>527.4</b>	<b>63.3</b>
SILVERSTREAM REVALUATION	-	-	-	-	-	-
FINANCE INCOME / (EXPENSE)	(1.1)	(0.0)	0.4	0.0	(1.5)	(363.6)
FOREIGN EXCHANGE	14.7	0.7	(3.3)	(0.2)	18.0	N/A
<b>PROFIT BEFORE INCOME TAX</b>	<b>1,374.5</b>	<b>62.7</b>	<b>830.5</b>	<b>58.9</b>	<b>544.0</b>	<b>65.5</b>
INCOME TAX EXPENSE	(450.4)	(20.5)	(215.4)	(15.3)	(235.0)	109.1
<b>PROFIT FOR THE PERIOD</b>	<b>924.1</b>	<b>42.1</b>	<b>615.1</b>	<b>43.6</b>	<b>309.0</b>	<b>50.2</b>
ATTRIBUTABLE TO:						
<b>EQUITY SHAREHOLDERS OF THE GROUP</b>	<b>787.27</b>	<b>35.9</b>	<b>530.8</b>	<b>37.7</b>	<b>256.4</b>	<b>48.3</b>
MINORITY INTEREST	136.9	6.2	84.3	6.0	52.6	62.4
	<b>924.1</b>	<b>42.1</b>	<b>615.1</b>	<b>43.6</b>	<b>309.0</b>	<b>50.2</b>

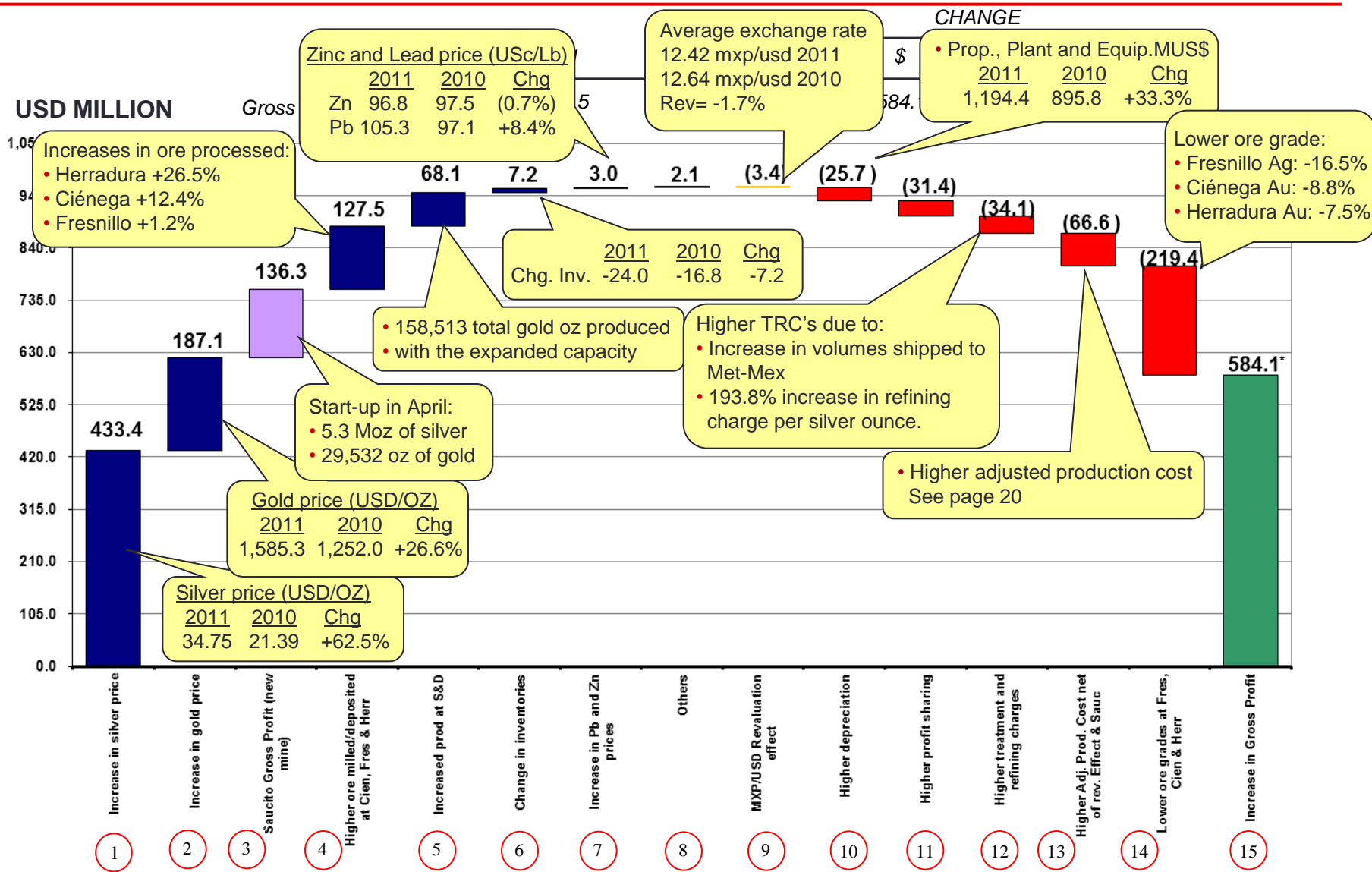


# Consolidated Gross Profit Analysis





# Consolidated Gross Profit Analysis

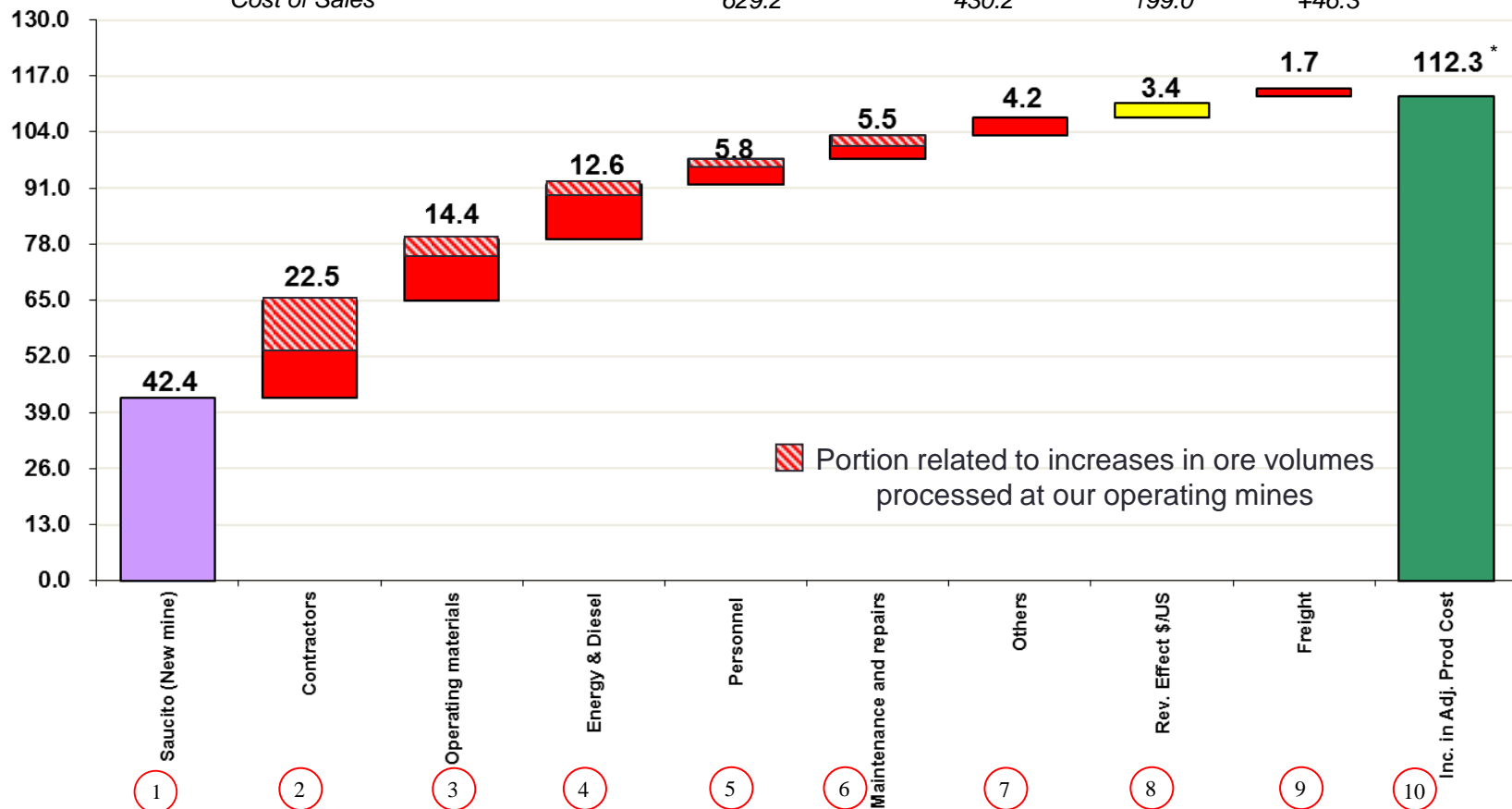




# Adjusted Production Cost Analysis (Consolidated)

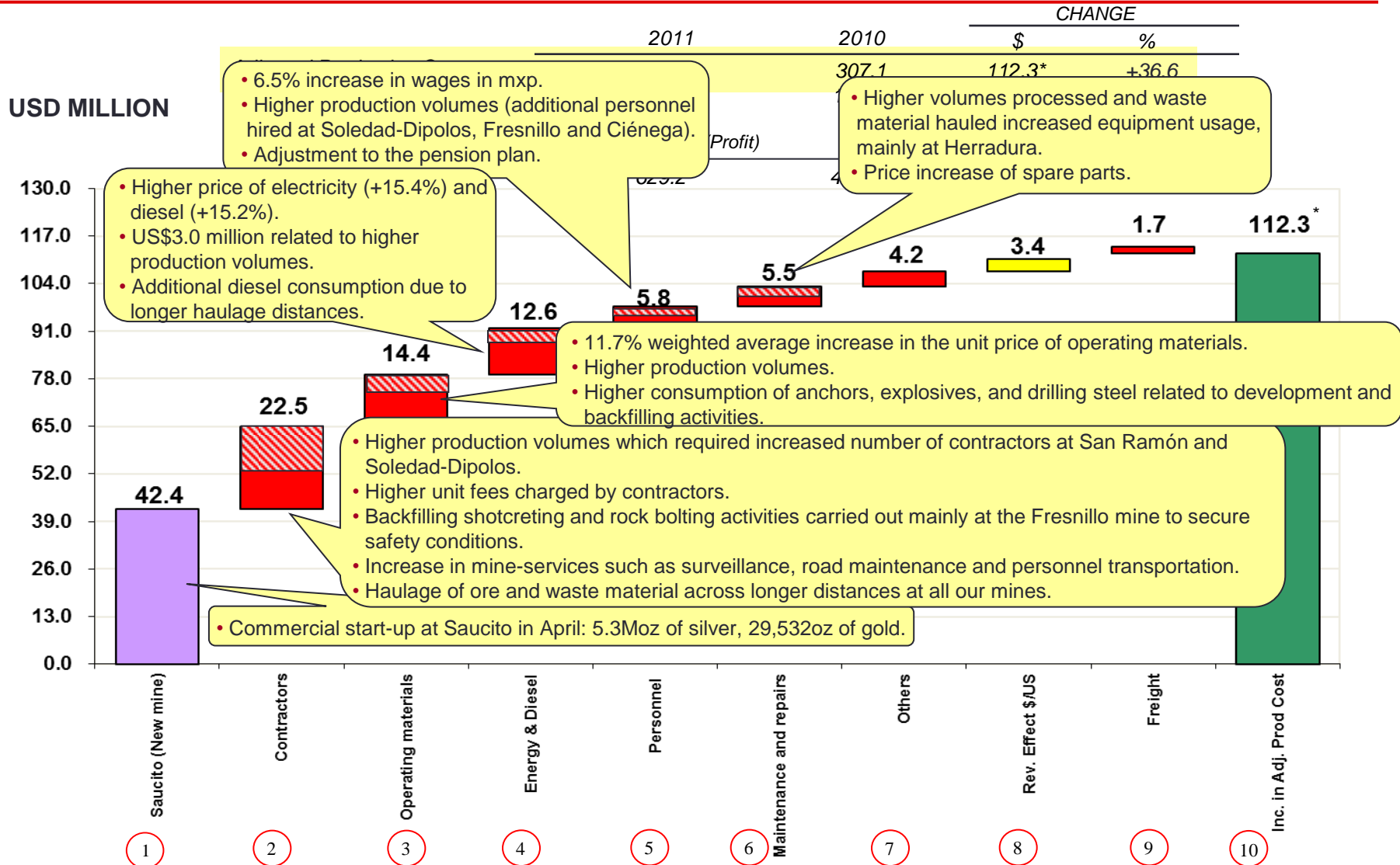
	2011	2010	CHANGE	
			\$	%
Adjusted Production Cost	419.4	307.1	112.3*	+36.6
Change in inventories	-25.5	-16.8	-8.7	+52.0
Depreciation	172.1	105.2	+66.9	+63.5
PTU	69.1	37.7	+31.4	+83.3
Hedging (mxp/usd exchange rate)	-5.9 (Profit)	-3.0 (Profit)	-2.8	+94.3
Cost of Sales	629.2	430.2	199.0	+46.3

USD MILLION





# Adjusted Production Cost Analysis (Consolidated)





## Increases in unit costs (USD)

INPUTS		2011 VS 2010
<b>Energy</b>	Electricity	15.4%
	Diesel	15.2%
<b>Labour</b>	Wages <sup>3</sup>	8.3%
<b>Operating Materials</b>	Steel balls for milling	14.1%
	Explosives	18.7%
	Tyres	4.8%
	Sodium cyanide	29.0%
	Other reagents	8.9%
	Anchors	8.1%
	Oils and other lubricants	14.6%
	<b>Weighted average increase</b>	<b>11.7%</b>

<sup>3</sup> Does not include fringe benefits



# Cost per tonne and Cash Cost

## COST PER TONNE OF ORE PROCESSED

MINE	UNIT	DECEMBER		% CHG
		2011	2010	
Fresnillo	US\$/TON	43.03	40.93	5.1%
Ciénega	US\$/TON	73.36	63.18	16.1%
Herradura	US\$/TON	5.96	5.61	6.2%
Soledad & Dipolos	US\$/TON	5.81	5.70	2.0%

## CASH COST PER OZ SOLD

Fresnillo	PER OZ. SILVER	5.24	3.27	60.2%
Ciénega	PER OZ. GOLD	121.06	172.10	(29.7%)
Herradura	PER OZ. GOLD	362.19	322.32	12.4%
Soledad & Dipolos	PER OZ. GOLD	478.17	382.18	25.1%



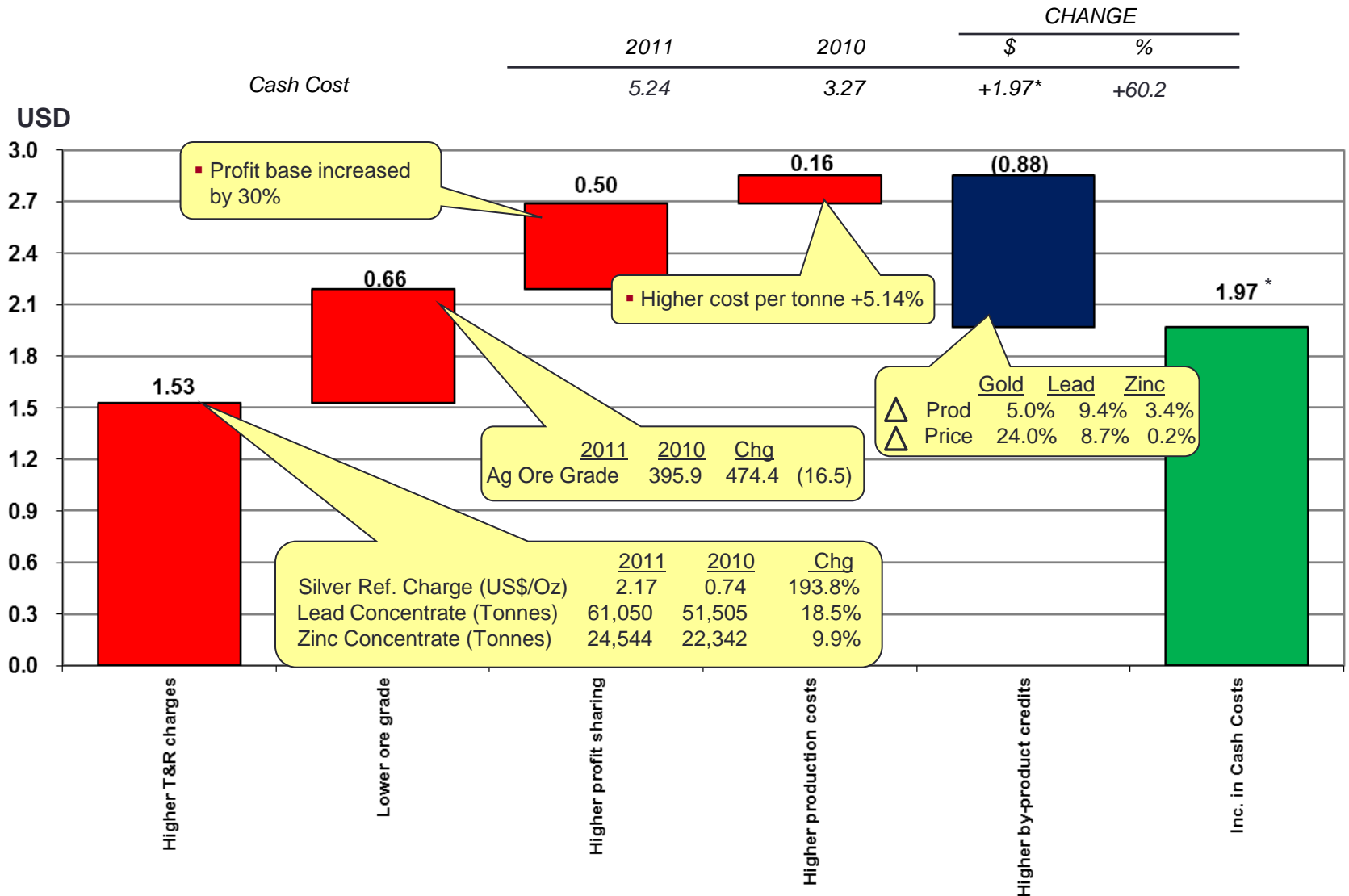


# Fresnillo – Cash Cost (US/Oz)

					<u>Change</u>	
	<u>2011</u>		<u>2010</u>		<u>US \$</u>	<u>%</u>
DIRECT MINING COST	3.95		3.13		0.82	26.2
BY-PRODUCT CREDITS	<u>(2.94)</u>		<u>(2.06)</u>		<u>(0.88)</u>	42.7
NET DIRECT MINING COST	1.01	19%	1.07	33%	(0.06)	(5.6)
TREATMENT & REFINING CHARGES	3.03	58%	1.50	46%	1.53	102.0
PROFIT SHARING	<u>1.20</u>	23%	<u>0.70</u>	21%	<u>0.50</u>	71.4
<b>FULLY LOADED CASH COST</b>	<b><u>5.24</u></b>	<b>100%</b>	<b><u>3.27</u></b>	<b>100%</b>	<b><u>1.97</u></b>	<b><u>60.2</u></b>



# Fresnillo – Cash Cost Analysis

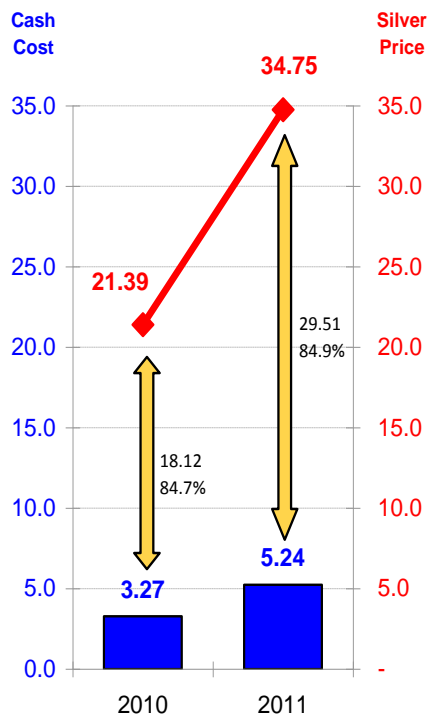




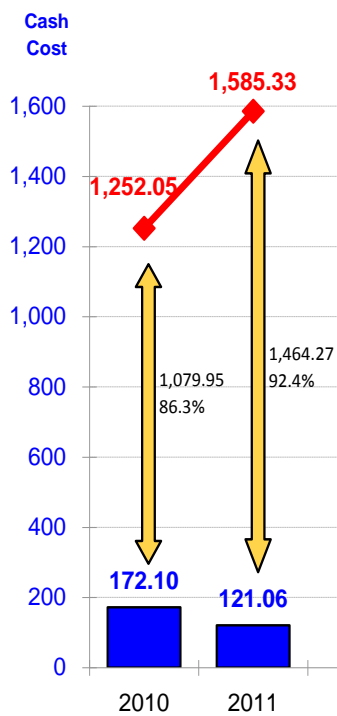
# Margins by mine (Metal price – Cash Cost) (2011 vs 2010)

USD / Oz

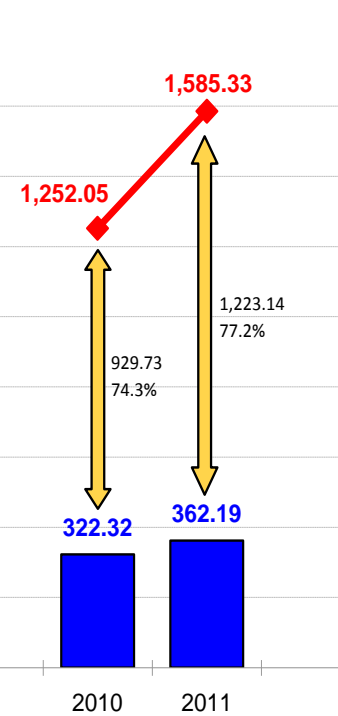
**Fresnillo**



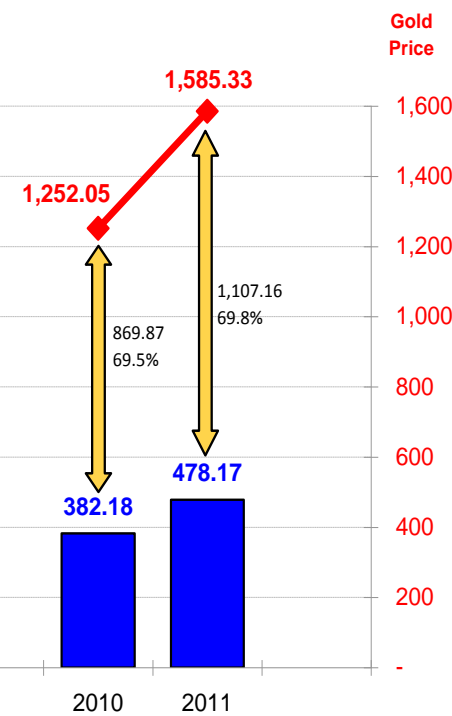
**Ciénega**



**Herradura**



**Soledad & Dipolos**

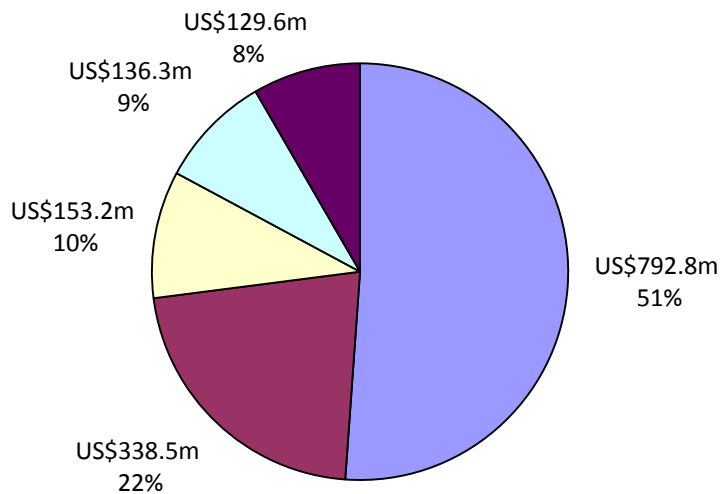




# Contribution by mine to the Gross Profit

	2011		2010		CHANGE	
	US\$	%	US\$	%	US\$	%
Fresnillo	792.8	51.1%	576.8	59.2%	215.9	37.4
Herradura	338.5	21.8%	217.7	22.3%	120.7	55.5
Sol & Dipolos	153.2	9.9%	84.2	8.6%	69.0	81.9
Saucito	136.3	8.8%	-	0.0%	136.3	N/A
Ciénega	129.6	8.4%	96.4	9.9%	33.2	34.4
<b>Total for operating mines</b>	<b>1,550.4</b>	<b>100.0%</b>	<b>975.2</b>	<b>100.0%</b>	<b>575.2</b>	<b>59.0</b>
MXP/USD exchange rate hedging gains	5.9		3.0		2.8	96.7
Other subsidiaries	7.2		1.1		6.0	N/A
<b>Total Fresnillo plc</b>	<b>1,563.5</b>		<b>979.4</b>		<b>584.1</b>	<b>59.6</b>

Fresnillo
  Herradura
  Sol & Dip
  Saucito (New Mine)
  Ciénega



**Gross Profit from operating units: US\$1,550.4m**



# Consolidated Income Statement (IFRS)

C O N C E P T (US\$ MILLION)	ACCUM DECEMBER				CHANGE	
	2011	%	2010	%	\$	%
ADJUSTED REVENUES	2,307.5		1,473.9		833.5	56.6
HEDGING (METALS)	0.0		0.0		0.0	N/A
TREATMENT AND REFINING CHARGES	(114.8)		(64.4)		(50.4)	78.3
REVENUES	2,192.7	100.0	1,409.6	100.0	783.1	55.6
ADJUSTED PRODUCTION COST	(419.4)	(19.1)	(307.1)	(21.8)	(112.3)	36.6
PROFIT SHARING	(69.1)	(3.2)	(37.7)	(2.7)	(31.4)	83.3
DEPRECIATION	(172.1)	(7.8)	(105.2)	(7.5)	(66.9)	63.5
HEDGING (MXP/USD EXCHANGE RATE)	5.9	0.3	3.0	0.2	2.8	94.3
CHANGE IN INVENTORIES	25.5	1.2	16.8	1.2	8.7	52.0
COST OF SALES	(629.2)	(28.9)	(430.2)	(30.5)	(199.0)	46.3
<b>GROSS PROFIT</b>	<b>1,563.5</b>	<b>71.1</b>	<b>979.4</b>	<b>69.5</b>	<b>584.1</b>	<b>59.6</b>
ADMINISTRATIVE EXPENSES	(31.2)	(1.4)	(22.8)	(1.6)	(8.4)	36.9
CORPORATE EXPENSES	(25.3)	(1.2)	(29.8)	(2.1)	4.5	(15.0)
EXPLORATION EXPENSES	(134.0)	(6.1)	(82.1)	(5.8)	(51.9)	63.2
OTHER INCOME (EXPENSE)	(5.5)	(0.3)	(6.3)	(0.4)	0.8	(12.4)
SELLING EXPENSES	(6.5)	(0.3)	(4.9)	(0.3)	(1.6)	33.5
<b>PROFIT FROM CONTINUING OPERATIONS</b>	<b>1,360.9</b>	<b>61.9</b>	<b>833.5</b>	<b>59.1</b>	<b>527.4</b>	<b>63.3</b>
SILVERSTREAM REVALUATION	159.9	7.3	191.8	13.6	(32.0)	(16.7)
FINANCE INCOME / (EXPENSE)	(1.1)	(0.0)	0.4	0.0	(1.5)	N/A
FOREIGN EXCHANGE	14.7	0.7	(3.3)	(0.2)	18.0	N/A
<b>PROFIT BEFORE INCOME TAX</b>	<b>1,534.4</b>	<b>69.8</b>	<b>1,022.4</b>	<b>72.5</b>	<b>512.0</b>	<b>50.1</b>
INCOME TAX EXPENSE	(495.8)	(22.6)	(273.0)	(19.4)	(222.8)	81.6
<b>PROFIT FOR THE PERIOD</b>	<b>1,038.6</b>	<b>47.2</b>	<b>749.4</b>	<b>53.2</b>	<b>289.2</b>	<b>38.6</b>
ATTRIBUTABLE TO:						
EQUITY SHAREHOLDERS OF THE GROUP	901.75	41.1	665.1	47.2	236.6	35.6
MINORITY INTEREST	136.9	6.2	84.3	6.0	52.6	62.4
	1,038.6	47.4	749.4	53.2	289.2	38.6
<b>EBITDA</b>	<b>1,538.5</b>	<b>70.1</b>	<b>945.0</b>	<b>67.0</b>	<b>593.5</b>	<b>62.8</b>



# Consolidated Income Statement (IFRS)

CONCEPT (US\$ MILLION)	2010	%	CHANGE	
			\$	%
ADJUSTED REVENUES	73.9		833.5	56.6
HEDGING (METALS)	0.0		0.0	N/A
TREATMENT AND REFINING CHARGES	(64.4)		(50.4)	78.3
<b>REVENUES</b>	<b>99.6</b>	<b>100.0</b>	<b>783.1</b>	<b>55.6</b>
ADJUSTED PRODUCTION COST	(77.1)	(21.8)	(112.3)	36.6
PROFIT SHARING	(37.7)	(2.7)	(31.4)	83.3
DEPRECIATION	(172.1)	(105.2)	(66.9)	63.5
HEDGING (MXP/USD EXCHANGE RATE)	5.9	3.0	2.8	94.3
CHANGE IN INVENTORIES	25.5	1.2	8.7	52.0
<b>COST OF SALES</b>	<b>(629.2)</b>	<b>(28.9)</b>	<b>(430.2)</b>	<b>(30.5)</b>
<b>GROSS PROFIT</b>	<b>1,563.5</b>	<b>71.1</b>	<b>979.4</b>	<b>69.5</b>
ADMINISTRATIVE EXPENSES	(31.2)			
CORPORATE EXPENSES	(25.3)			
EXPLORATION EXPENSES	(134.0)			
OTHER INCOME (EXPENSE)	(5.5)			
SELLING EXPENSES	(6.5)			
<b>PROFIT FROM CONTINUING OPERATIONS</b>	<b>1,360.9</b>			
SILVERSTREAM REVALUATION	159.9			
FINANCE INCOME / (EXPENSE)	(1.1)			
FOREIGN EXCHANGE	14.7			
<b>PROFIT BEFORE INCOME TAX</b>	<b>1,534.4</b>	<b>69.8</b>		
INCOME TAX EXPENSE	(495.8)			
<b>PROFIT FOR THE PERIOD</b>	<b>1,038.6</b>	<b>47.2</b>		
ATTRIBUTABLE TO:				
<b>EQUITY SHAREHOLDERS OF THE GROUP</b>	<b>901.75</b>	<b>41.1</b>		
MINORITY INTEREST	136.9	6.2		
	<b>1,038.6</b>	<b>47.4</b>		
<b>EBITDA</b>	<b>1,538.5</b>	<b>70.1</b>		

- Increase in salaries (+6.8% in USD)
- Increased advisory fees associated with the new Bribery Act, Risk Management, Taxes, Technical Matters, Public Relations, etc.
- Additional personnel was hired to service new mines and projects.
- Changes in actuarial assumptions which affected the pension plan.

➢ San Ramón	12.2	➢ Corredor Herradura	6.9
➢ Ciénega	11.5	➢ Soledad & Dipolos	5.3
➢ San Julián	11.4	➢ Lucerito	5.2
➢ Orisyvo	11.0	➢ Manzanillas	4.3
➢ Herradura	10.7	➢ Saucito	3.6
➢ Noche Buena	10.2	➢ Candameña	3.2
➢ Centauro Deep	8.2	➢ San Juan	3.0
➢ Fresnillo	7.3	➢ Others	20.0

- Book value at 31/12/10: US\$427.7M
- 2011 Amortisation: US\$109.4M
- 2011 Revaluation effect: US\$159.9M
- Fair Value: US\$478.1M

- Effective tax rate = 32.3% vs. 30% Statutory ITR
- The 13.1% devaluation of the MXN/US spot exchange rate (13.98 @ 31/12/11 vs 12.36 @ 31/12/10).
- Certain inflation adjustments for Mexican tax purposes that have no accounting effect.
- Current Income Tax: US\$365.4m
- Deferred Income Tax: US\$130.4 m



# Consolidated Cash Flow (IFRS)

C O N C E P T	(US \$ millions)	2011	2010	C H A N G E	
				\$	%
<b>CASH GENERATED BY OPERATIONS BEFORE CHANGES IN WORKING CAPITAL</b>		<b>1,612.1</b>	<b>983.6</b>	<b>628.5</b>	<b>63.9</b>
WORKING CAPITAL		(36.1)	(166.0)	129.9	(78.3)
INCOME TAX AND PROFIT SHARING PAID		<u>(326.8)</u>	<u>(117.0)</u>	(209.9)	179.4
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>1,249.2</b>	<b>700.7</b>	<b>548.5</b>	<b>78.3</b>
<b><u>OTHER PROCEEDS</u></b>					
SILVERSTREAM CONTRACT		103.0	55.6	47.4	85.2
CAPITAL CONTRIBUTION		20.8	2.8	18.0	640.9
NET INTEREST RECEIVED (PAID)		7.2	2.6	4.6	175.8
PROCEEDS FROM THE SALE OF PROPERTY, PLANT AND EQUIPMENT		4.1	0.1	4.1	5,649.7
OTHERS		<u>0.9</u>	<u>19.7</u>	(18.8)	(95.6)
<b>TOTAL OTHER PROCEEDS</b>		<b>136.1</b>	<b>80.8</b>	<b>55.3</b>	<b>68.5</b>
DIVIDENDS PAID		(786.9)	(191.1)	(595.8)	311.8
PURCHASE OF PROPERTY, PLANT AND EQUIPMENT		<u>(467.7)</u>	<u>(340.3)</u>	(127.4)	37.5
<b>USES OF CASH</b>		<b>(1,254.7)</b>	<b>(531.4)</b>	<b>(723.3)</b>	<b>136.1</b>
NET INCREASE / (DECREASE) IN CASH DURING THE PERIOD		130.6	250.1	(119.5)	(47.8)
EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS		(5.2)	(2.7)	(2.5)	90.3
CASH AND CASH EQUIVALENTS AT 01 JAN		<u>559.5</u>	<u>312.2</u>	247.3	79.2
<b>CASH AND CASH EQUIVALENTS AT 31 DEC</b>		<b><u>684.9</u></b>	<b><u>559.5</u></b>	125.4	22.4



# Consolidated Cash Flow (IFRS)

CONCEPT	(US \$ millions)	2011	2010	2009	2008
<b>CASH GENERATED BY OPERATIONS BEFORE CHANGES IN WORKING CAPITAL</b>		1,612.1	983.6	628.5	63.9
WORKING CAPITAL		(36.1)			
INCOME TAX AND PROFIT SHARING PAID		(326.8)			
<b>NET CASH FROM OPERATING ACTIVITIES</b>		1,249.2	983.6	628.5	63.9
<b>OTHER PROCEEDS</b>					
SILVERSTREAM CONTRACT		103.0			
CAPITAL CONTRIBUTION		20.8			
NET INTEREST RECEIVED (PAID)		7.2			
PROCEEDS FROM THE SALE OF PROPERTY, PLANT AND EQUIPMENT		4.1			
OTHERS		0.9			
<b>TOTAL OTHER PROCEEDS</b>		136.1			
DIVIDENDS PAID		(786.9)			
PURCHASE OF PROPERTY, PLANT AND EQUIPMENT		(467.7)			
<b>USES OF CASH</b>		(1,254.7)			
NET INCREASE / (DECREASE) IN CASH DURING PERIOD		130.6			
EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS		(5.2)			
CASH AND CASH EQUIVALENTS AT 01 JAN		559.5			
<b>CASH AND CASH EQUIVALENTS AT 31 DEC</b>		684.9			

• Increase in ore inventories in the leaching pads at Herradura and Soledad-Dipolos.

• 2.9 MOz proceeds from the silverstream contract, which do not go through the Income Statement.

• Final dividend (2010): US\$254.9M paid in May 2011.  
 • Interim Dividend (2011): US\$150.6M paid in Sep 2011  
 • Second Interim Dividend (2011): US\$300.0M paid in Dec 2011.  
 • US\$81.5M dividends paid to minority (Newmont) shareholders.

**Fresnillo:**

- Mine development, replacement of equipment, purchase of equipment and construction of the San Carlos shaft.

**Herradura:**

- Construction of leaching pads, dynamic leaching plant, and purchase of additional trucks.

**CIénega:**

- Mine development, expansion of the plant and sinking of the shaft.
- Mining works at San Ramón.

**Soledad-Dipolos:**

- Purchase of equipment and construction of leaching pads.

**Saucito:**

- Development and equipment for shafts.

**Noche Buena**

- Construction of leaching pads and Merrill-Crowe plant.

**San Julián**

- Construction of ramps and mining works.

**Juanicipio**

- Exploration activities.



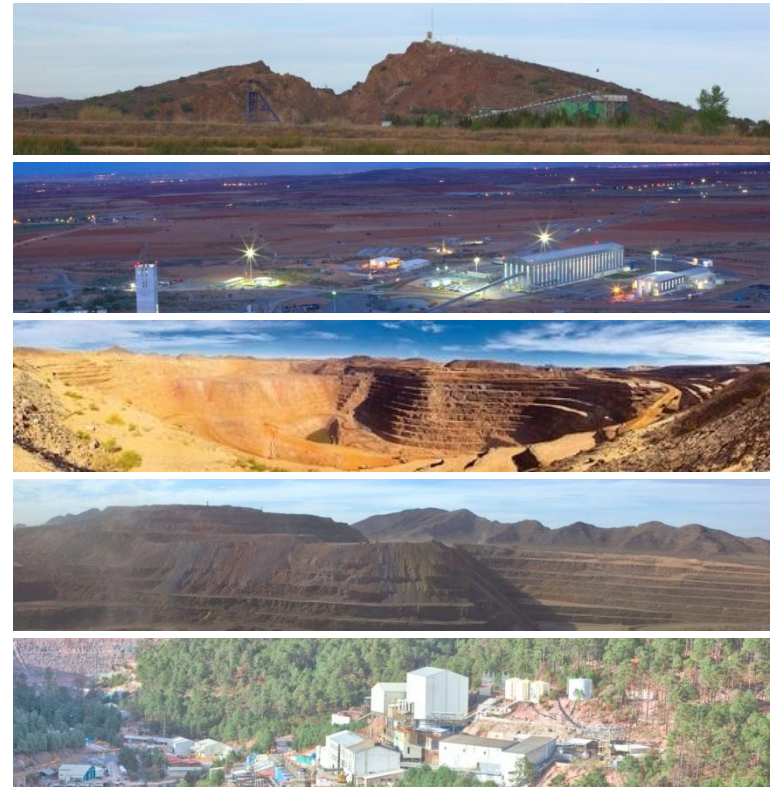


# Consolidated Balance Sheet (IFRS)

Concept	31-DEC-11	31-DEC-10	Change %
<b>Asset</b>			
Cash and Investments	684.9	559.5	22.4
Trade and Other Receivables	249.3	236.7	5.3
Inventories	99.8	63.1	58.2
Prepaid Expenses	3.2	2.5	27.4
Silverstream	478.1	427.7	11.8
Derivative Financial Instruments	-	4.1	(100.0)
Property, Plant and Equipment	1,194.4	895.8	33.3
Other Assets ( Long term)	149.4	158.5	(5.8)
<b>Total Assets</b>	<b>2,859.2</b>	<b>2,347.9</b>	<b>21.8</b>
<b>Liabilities</b>			
Profit Sharing	61.1	39.6	54.2
Other Liabilities (Short term)	230.5	125.4	83.8
Retirement and Pension Plan Reserves	9.2	6.4	43.9
Deferred Taxes	358.2	217.4	64.7
Other Liabilities ( Long term)	50.8	39.7	27.9
<b>Total Liabilities</b>	<b>709.8</b>	<b>428.6</b>	<b>65.6</b>
Stockholder's Equity	1,867.8	1,713.7	9.0
Minority Interest	281.6	205.6	37.0
<b>Total Stockholder's Equity</b>	<b>2,149.4</b>	<b>1,919.3</b>	<b>12.0</b>
<b>Total Liabilities and Stockholder's Equity</b>	<b>2,859.2</b>	<b>2,347.9</b>	<b>21.8</b>



# Conclusions





# Conclusions

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- Production
  - Maintained silver production and exceeded gold production targets
  - Successful expansions at Ciénega and Soledad-Dipolos
- Safety
  - Implemented Safety Action Plan
- Costs
  - Cost pressures from equipment and consumable shortages
  - Partly offset by cost reduction initiatives
- Exploration
  - Expanded resources by 23% for silver and 17% for gold and increased claim holdings



# Conclusions

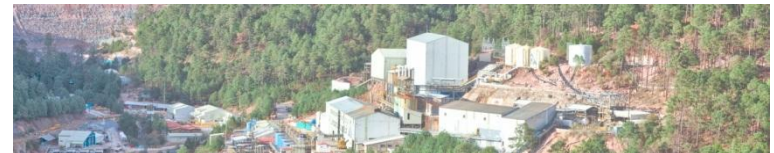
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- In 2012 we will:
  - Reinforce safety procedures
  - Maintain silver production at 41 million ounces
  - Increase attributable gold production to 460,000 ounces
  - Continue cost control initiatives
  - Expand our resource base with record US\$360 million exploration budget

We are on track to meet our goal of producing 65 million ounces of silver per year and our new target 500,000 ounces of gold per year by 2018



# Appendix

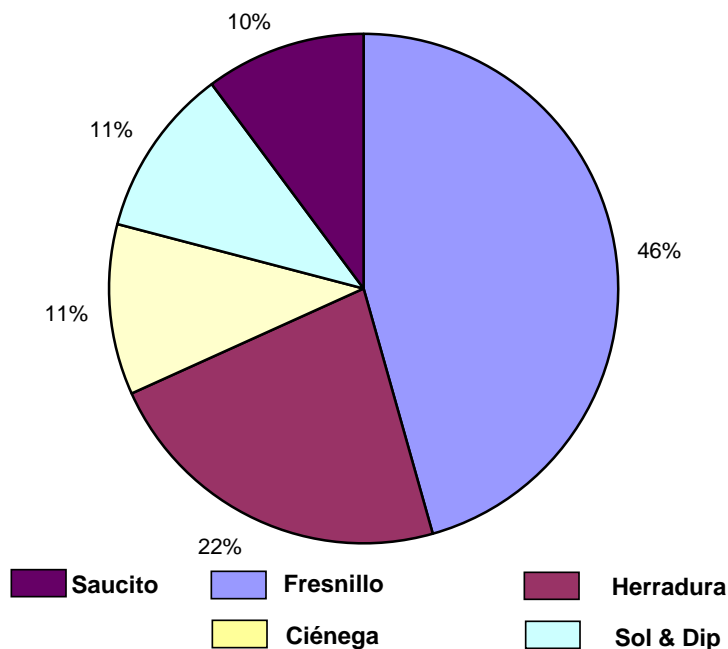




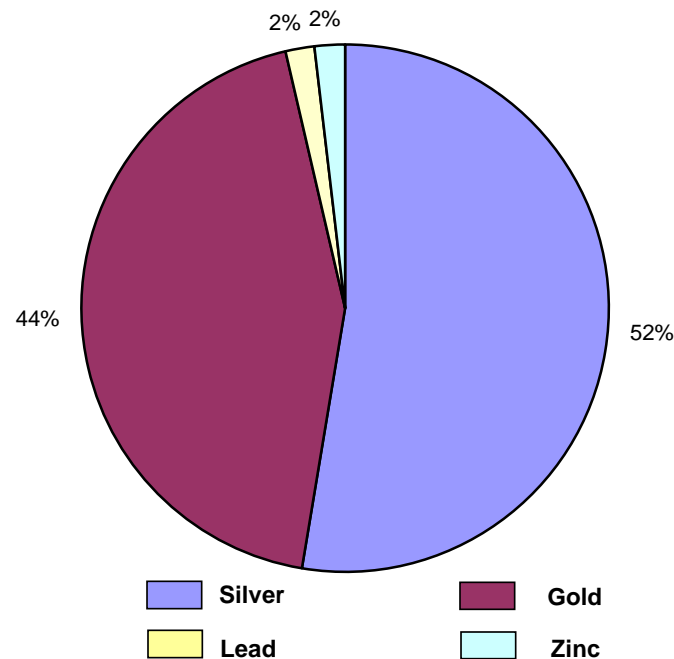
# Contribution by mine and by metal to the Adjusted Revenues

2011<sup>1</sup> Adjusted Revenues:<sup>2</sup> US\$2,307.5m

**By mine**



**By metal**



	Fresnillo	Ciénega	Herradura	Sol & Dip	Saucito	Consol	
Gold	33.09	174.77	508.12	245.06	48.39	1,009.44	43.7%
Silver	971.09	44.55	13.78	3.01	181.79	1,214.21	52.6%
Lead	26.31	13.87			2.83	43.01	1.9%
Zinc	22.22	16.92			1.65	40.79	1.8%
<b>TOTAL</b>	<b>1,052.72</b>	<b>250.11</b>	<b>521.90</b>	<b>248.08</b>	<b>234.65</b>	<b>2,307.45</b>	<b>100%</b>

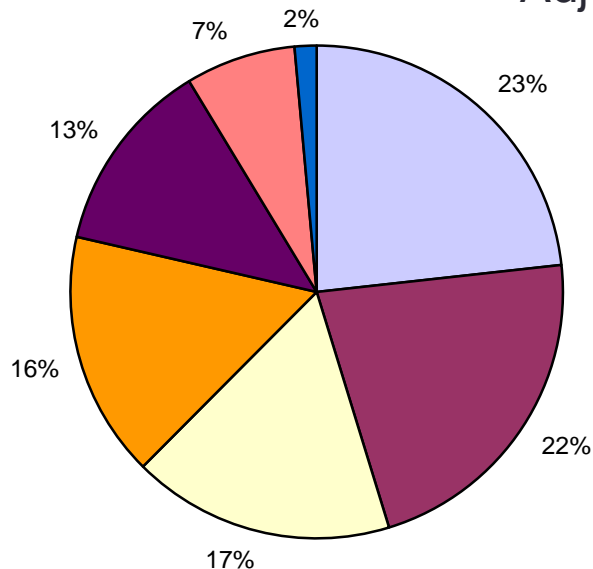
<sup>1</sup> For 2010 Adjusted Revenue contribution by mine and by metal, please refer to annex.

<sup>2</sup> Adjusted Revenue is revenue as disclosed in the income statement adjusted to exclude treatment and refining charges.



# Breakdown of the Adjusted Production Costs

Adj Prod Cost: US\$419.4m



- Contractors<sup>1</sup>**
- Op Mat**
- Energy & Diesel**
- Mainten**
- Person**
- Others**
- Freights**

<sup>1</sup> Contractors are hired to execute specific tasks. Fees paid include labour, operating materials, equipment, diesel and any other items required to fulfill such tasks.

	Fresnillo		Ciénega		Herradura		Sol & Dip		Saucito		Other	Consol
Personnel	22.67	20.4%	10.88	15.3%	13.23	10.6%	5.83	8.2%	1.97	4.7%	(1.15)	53.43
Maintenance and repairs	17.57	15.8%	7.56	10.7%	25.29	20.2%	13.33	18.7%	4.09	9.7%	(0.16)	67.68
Operating materials	22.28	20.0%	13.19	18.6%	34.76	27.7%	16.88	23.7%	5.22	12.3%	(0.03)	92.30
Energy & Diesel	19.46	17.5%	7.38	10.4%	27.19	21.7%	10.64	14.9%	7.50	17.7%	(0.01)	72.16
Contractors	20.44	18.4%	24.86	35.1%	15.29	12.2%	21.18	29.7%	15.77	37.2%	(0.02)	97.52
Freight	0.63	0.6%	1.04	1.5%	2.99	2.4%	1.14	1.6%	0.22	0.5%	0.18	6.21
Others	8.15	7.3%	6.01	8.5%	6.52	5.2%	2.27	3.2%	7.58	17.9%	(0.43)	30.10
<b>Production Costs</b>	<b>111.20</b>	<b>100.0%</b>	<b>70.92</b>	<b>100.0%</b>	<b>125.27</b>	<b>100.0%</b>	<b>71.28</b>	<b>100.0%</b>	<b>42.35</b>	<b>100.0%</b>	<b>(1.62)</b>	<b>419.40</b>
Ore processed (Tonnes)	2,584,163		966,812		21,020,356		12,264,860		818,405			